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ABSTRACT

Reports on legislative action affecting higher education in the Southern states that held regular or special legislative sessions in 1978 are presented and a preview of 1979 sessions is provided in this publication. In most Southern Regional Education Board States in 1978, higher education maintained or slightly increased its share of state tax fund appropriations. Initial 1979 higher education budget requests seem to indicate that there may be an even larger than usual gap between what governors and legislators may approve and what is being requested. Among the topics discussed are salaries, construction funding, competency testing, state aid to private higher education, veterinary medicine, and collective bargaining. States included in the analysis are Georgia, West Virginia, Virginia, Kentucky, Mississippi, Maryland, Tennessee, Florida, North Carolina, Louisiana, Alabama, and South Carolina. (SW)

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Southern Higher Education Legislative Report, 1978

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PREVIEW OF 1979 SESSIONS AND
SUMMARY OF 1978 LEGISLATION

HE 010 972

SOUTHERN REGIONAL EDUCATION BOARD
130 Sixth Street, N.W., Atlanta, Georgia 30313

Southern Higher Education Legislative Report, 1978

A SUMMARY OF STATE LEGISLATION IN 1978
AFFECTING HIGHER EDUCATION IN THE SOUTH

Prepared as a service of the
SOUTHERN REGIONAL EDUCATION BOARD
130 Sixth Street, N.W., Atlanta, Georgia 30313

October, 1978

This publication contains reports on legislative action affecting higher education in the Southern states which held regular or special legislative sessions in 1978. The dispatches were prepared for SREB by professional journalists; any opinions expressed are those of the individual authors, not SREB.

Price: $1.00

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The General Assembly approved a 10 percent across-the-board pay raise for University System faculty and staff. It also appropriated $1.7 million for a program to encourage medical students to set up family practices in rural and other areas with few health care services. Grants for the state's private college students were increased from $500 to $600 annually, with an additional $200 available for summer school students. The state also "tore up its credit cards" and used a part of its surplus to pay cash for new construction.

WEST VIRGINIA — by Tom Miller — page I-7

The legislature voted a 7.9 percent increase in the salary budget for state colleges and universities, but a move to earmark this increase for across-the-board raises failed. The lawmakers doubled the budget for West Virginia University's Bureau of Coal Research to allow creation of a National Research Center for Coal and Energy. Governor Rockefeller called on higher education leaders to hold the line on new employment, and vetoed a sunset bill, citing drafting defects.

VIRGINIA — by Allen R. McCreary — page I-11

Voters approved a bond issue last November for $87.5 million in collegiate construction, and the 1978 legislature voted an additional $34.9 million for campus capital outlay projects. The higher education budget was increased 18 percent for the new biennium, including a 7.2 percent pay raise for senior institutional faculty and a 9.6 percent raise for community college faculty. A $1.25 million appropriation was voted to create a veterinary medical school at Virginia Polytechnic Institute and State University, provided that a number of conditions are met to the governor's satisfaction. Student aid funding was increased substantially, including raising the maximum grants to private college students from $400 to $500 annually. The legislature voted to begin proficiency testing of high school seniors in 1981.

KENTUCKY — by Richard G. Wilson — page II-1

The legislature approved a 23.9 percent increase in overall higher education funding, with a 6 percent cost-of-living salary increase for collegiate personnel and with a $19 million capital budget, earmarked mostly for renovations for handicapped access, energy conservation, and building and fire code compliance. The lawmakers debated a number of proposals aimed at alleviating the shortage of physicians in rural areas, but in the end none of the measures were adopted. However, a procedural error resulted in the legislature's forwarding to the governor and the governor signing a bill which had not received a passing vote. The bill ties medical and dental school admissions to congressional districts and is expected to be challenged in court. However, both houses approved a resolution, which the governor signed, to have the Legislative

Research Commission study the problems that rural Kentuckians experience in gaining admission to medical, dental, and law schools. The higher education council was given legislative approval to extend its program approval authority to the undergraduate level. The legislature also adopted a competency-testing program for elementary and secondary pupils starting in Fall, 1978.

MISSISSIPPI by James S. Saggus page II-8

The state's eight universities received a 19.4 percent increase in appropriations, but the legislature banned in-state tuition increases, which had been proposed by some collegiate leaders as a way to raise additional operating funds. Furthermore, the appropriations bill stipulated that the funds be allocated by the 1974 formula, unless deviations could be documented by detailed fiscal analysis of an institution. The largest capital construction project approved for the universities during the session was $9.5 million for Phase II construction on the new veterinary medical school at Mississippi State. The legislature ordered a management study be conducted of the universities and the 16 public junior colleges, including an audit of the two-year institutions. A sunset law passed, and is limited to professional regulatory boards and executive order agencies.

MARYLAND by David Lightman page II-13

The University of Maryland campuses received an 8.3 percent funding increase, including money to stave off in-state tuition increases, except at professional schools. The state's eight other four-year institutions were given a 6.6 percent budget increase, with much of the new money earmarked for an 11 percent increase in the Morgan State University allocation, primarily to fund its graduate programs. University of Maryland campuses also received $24 million in capital improvement funds. The state will provide $2 million more in aid to Maryland's private institutions, and state scholarship funding was raised 5.7 percent, with additional funds provided for new scholarships for superior students. The legislature also enacted a bill to require national standardized tests to be given to primary and junior high school students.

TENNESSEE by Fred Travis page II-17

Public colleges and universities received a 13.4 percent increase in appropriations, with provision made for a minimum 7.5 percent pay raise for those campus personnel now earning less than $8,000 and a maximum average 6.5 percent for those paid more than $22,000. In addition, the new University of Tennessee veterinary medical school got a 59 percent funding increase to bring enrollment capacity closer to full class size. The legislature overrode the governor's veto to direct the higher education commission to consider available programs in private institutions before authorizing similar programs in the public sector. In March, the voters approved an amendment permitting aid to private institutions -- which will receive its first legislative test in 1979. The voters also passed an amendment to tie state spending increases to the level of state economic growth.

FLORIDA by Mary Ann Lindley page II-21

The University System of Florida won a 12 percent budget increase, with a special $10 million allocation for library improvement and funds for development of centers of program excellence on each of the nine university campuses. Overall, the universities received $20 million in special enrichment funds. The legislature granted voting rights to the student member of the Board of Regents, and also set up a personnel exchange program between universities and private industry. A debate developed over moving graduate programs from universities in the northern portion of the state to other parts of the system, but a proposal to study such action failed to pass.

NORTH CAROLINA by Daniel C. Hoover page II-26

The legislature appropriated $7.3 million to establish a school of veterinary medicine at North Carolina State University, as part of a $40.5 million capital improvement program for the university system. An additional $12.4 million was allocated for upgrading predominantly black institutions, with most of the funds devoted to new construction. University and community college faculty received a 6 percent pay raise, over and above merit and longevity pay increases. The lawmakers defeated a request for $7.5 million for community college construction to be added to the supplemental budget bill for the 1977-79 biennium.

LOUISIANA by Erwin W. Price, Jr. page II-29

The legislature voted an 18 percent increase in higher education funding, but turned down a pay raise bill for university faculty -- who had received a $1,500 across-the-board increase in 1977. The LSU Board of Supervisors, however, did vote to increase fees at all campuses and tied that increase to a 5 percent cost-of-living raise for faculty. The governor vetoed a bill which would have allowed the state to guarantee loans up to $20,000 for medical students who sign contracts to practice in rural areas.

ALABAMA by Bob Lowry page II-33

Higher education received a 21 percent increase in operating and maintenance funds and $59 million in construction outlays for four-year institutions. The legislature also initiated a tuition grant program to provide $300 annually to Alabamans attending 13 of the state's private colleges. But a lawsuit has been filed to test the constitutionality of this program. Seven percent pay raises were approved for junior college instructors. A move to specify the level of senior institutional pay increases was defeated. Other legislation that failed to pass included a public employee collective bargaining act and a bill to create a high school proficiency testing program.

SOUTH CAROLINA by Warren T. McInnis page II-37

The legislature voted to revamp the State Commission on Higher Education and broaden its powers -- including authority to terminate programs and develop a master plan. The lawmakers imposed a moratorium on program, staff, or physical plant expansion until the master plan is adopted by the General Assembly. Higher education received

a 9.3 percent funding increase, and a tuition grant program for South Carolinians enrolled in approved private institutions received full funding. A 9 percent average pay increase was voted for faculty, with another 4 percent raise to come January 1. The legislature also adopted a minimum competency program for the state's public school pupils.

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SUMMARY OF 1978 LEGISLATION
AND PREVIEW OF 1979 SESSIONS

Most important legislative issues ultimately end up as budget issues. But in 1979 legislative sessions, the issue may be the budget itself. Although many factors in the South make it less susceptible to Proposition 13-type actions, the message to politicians in this election year is as clear in the South as elsewhere -- hold the line on, or cut, taxes and spending.

How higher education, one of the most discretionary items in state budgets, will fare in a cooled-down spending climate is unclear. Higher education generally fared well in 1978 state budgets, but initial 1979 higher education budget requests seem to indicate that there may be an even larger than usual gap between what governors and legislators may approve and what is being requested.

1979 Higher Education Budget Requests

Higher education requests are still subject to revision by governors or state higher education agencies in most states at this stage of the budget process. However, some of the preliminary budget requests thus far are:

Alabama - Budget recommendations for 1979-80 are being prepared, but initial revenue estimates for 1978-79 are for a $24 million shortfall. State colleges and universities and public schools have been advised to "be on the safe side" and budget 3 percent less than the amount approved for 1978-79.

Arkansas - The Board of Higher Education has recommended increases of 30 and 14 percent for the 1979-81 biennium for totals of $180 million in 1979-80 and $206 million in 1980-81. This would be $67 million more than for 1977-79. Institutional requests for the biennium were for $199 million and $234 million. The Board of Higher Education recommendations would require 17.6 percent of estimated state general fund revenues for the biennium. Arkansas higher education received 17.6 percent of state funds in 1970-71, but in the present two-year budget the percentage is 15.8. The Board recommended $44 million of the $178 million requested by institutions for capital improvements and library acquisitions. The higher education staff recommendation includes a 7.5 percent raise for faculty and administrators.

Georgia - The Board of Regents initially requested $456 million in general state appropriations for 1979-80, an increase of 24 percent, or $88 million, over this year. The Regents also are asking for nearly $50 million for a supplemental state appropriation for the remainder of 1978-79, most of which would go for capital construction. The governor ordered all agencies to cut back on their budget requests since the proposed 1979-80 increases topped 40 percent. The Regents subsequently reduced the $456 million proposal by nearly $20 million. The budget request includes $35 million to fund merit increases averaging 10 percent. A 2.5 percent across-the-board raise was in the initial budget proposal but was excluded in the revised request.

Maryland - The Maryland State Board for Higher Education has recommended to the governor $289 million in general funds for fiscal 1980, an increase of $32 million, or 12 percent, over FY 1979. The recommended total budget, including special funds and federal funds, is $615 million, an 8 percent increase. For the community colleges, funds are recommended to increase state support from $800 to $900 for each full-time-equivalent student. The Maryland recommendations aim at a 1984 date for the state to provide 70 percent of the total funds needed for approved guideline programs in public four-year colleges, with 30 percent to come from tuition and fees and other institutional revenues.

Mississippi - The State College Board has recommended a $15 million, or 16 percent, increase for the eight-university system. The $108 million request assumes a 7.3 percent inflation factor. No specific percentage salary increases are set since each institution has a lump sum salary request in its budget. Sixteen public junior colleges which are controlled by local boards and receive 40 percent of their funds from the state have requested a $7.5 million, or 24 percent, increase to $37 million. Half of the junior colleges' proposed state increase would be earmarked for 10 percent salary raises. The University of Mississippi Medical Center is seeking $36 million for an increase of $6.8 million, or 24 percent.

South Carolina - The Commission on Higher Education has recommended approximately a 10 percent increase for 1979-80, or $222 million. This is $15 million less than the institutions had requested but nearly $15 million more than the State Budget and Control Board, charged with making recommendations to the General Assembly, had initially proposed. The budget request assumes a 1 percent enrollment increase for the state's universities and a 2 percent enrollment gain for state colleges.

Tennessee - The Tennessee Higher Education Commission has recommended to the governor a $286.3 million higher education budget for 1979-80, an increase of about 18 percent. Salary increases of 7 percent were recommended and capital outlay recommendations totaled $33 million.

West Virginia - The Board of Regents is requesting $128.5 million in state general revenue funds for operation of the state's colleges and universities in 1979-80. This is an 18 percent increase over the current year. The "personal

services" budget item accounts for nearly three-fourths of this total request and is recommended for a 14 percent increase over 1978-79.

Higher Education and the 1978 Legislative Sessions: A Brief Review

The first measure of how higher education fares in a legislative session is usually made with a financial yardstick, and generally, by this measure, in 1978 higher education fared comparatively well. In most SREB states higher education maintained or slightly increased its share of state tax fund appropriations. In Alabama, Florida, Georgia, Kentucky, Mississippi, Louisiana, and Tennessee, state appropriations for higher education had a larger percentage increase than the overall state budget. In Maryland, South Carolina, Virginia, and West Virginia, increases for higher education approximately equalled or trailed only slightly overall state budget growth. Higher education annual general fund percentage increases ranged from less than 10 percent in Maryland, South Carolina, and West Virginia to nearly 20 percent and more in Alabama, Louisiana, and Mississippi, with most other states in the 12 to 15 percent increase range.

Salaries

Salaries for public employees, including higher education personnel, are a central part of state budgets and a major factor in the allocation of "new money." For example, Georgia's 1978-79 budget is $200 million more than the previous year, but salary increases for public school employees, state employees, and university personnel account for nearly half of the state's "new money."

Public employees and university personnel often received salary increases of a similar percentage and in 1978 the approved increases often fell into a 6 to 9 percent range. The most notable exceptions were Maryland with a 3 percent salary and a 2 percent health benefits increase, Louisiana where a $1,500 across-the-board increase was approved last year but no increases were included in the 1978-79 budget, and Georgia where the legislature gave the Board of Regents 10 percent more in salary funds to be allocated primarily on a merit basis.

Construction Funding

Revenue surpluses and improved economies in 1978 helped increase spending for construction projects. Construction is not the big-ticket item it was in the 1960s, but several states approved sizable capital funding budgets. Many states may face escalating maintenance and renovation costs as projects for which maintenance has been postponed become more critical. Construction funding highlights included: Alabama, a $220 million bond program with approximately $100 million for universities, junior colleges and technical colleges and $117 million for elementary/secondary schools. Virginia appropriated more than half of its state general fund construction dollars to higher education ($35 million) in addition to an $86.4 million bond package approved in a fall 1977 referendum.

Tennessee approved $50 million for college and university construction, and nearly one-third of Maryland's $78 million in capital construction went to the University of Maryland. A $9.5 million appropriation for Phase II of the Mississippi State veterinary school was the only major capital item for higher education in Mississippi after $55 million in revenue sharing funds went into college construction in 1977. Kentucky higher education projects accounted for less than $20 million of the state's $200 million construction budget, most of which will be financed by revenue bonds or federal revenue sharing funds. Georgia applied $77 million of its surplus to fiscal 1978 construction projects, paying cash for projects earlier planned for bond financing.

Competency Testing

Competency testing bills replaced sunset bills as 1978's most discussed legislative item. By the end of the 1978 sessions, nearly every state legislature or department of education had established a competency testing program. The initial emphasis has been on testing elementary-secondary students, but a second phase -- testing public school teachers -- is already following in a number of states. SREB is following this second trend closely, as it has numerous implications for teacher training, pre-service and in-service, programs provided by colleges of education.

Florida and North Carolina provide examples of the kinds of programs being established. Florida was the first Southern state, and one of the first in the nation, to administer statewide proficiency tests in the fall of 1977 to elementary and secondary students. The failure rate there averaged about one-third, with more students failing the mathematics portion than the reading and writing tests. The high rate of failure by black students has become an issue. Florida high school juniors who failed the fall, 1977 tests will be required to do remedial work and will have up to four opportunities to pass the tests. If high school seniors do not pass the tests, they will receive a certificate of attendance; those who pass will receive a diploma. The 1977 Florida legislature appropriated $10 million to fund the test-related remedial programs, and the 1978 legislature approved $26 million for 1978-79.

In North Carolina, tests will be given in grades 1, 2, 3, 6, 9, and 11. Remedial instruction will be provided at these levels. Students in the eleventh grade must pass the tests (they will have up to four chances) before they can receive a diploma. The 1978-79 appropriation for the program is $8.5 million.

Higher education may be affected by the competency testing trend in terms of teacher training programs, new admissions criteria, and perhaps ultimately less remedial work at the college level. There has been little movement toward a higher education competency testing program, but in Georgia the Regents' Testing Program has been in operation for several years and requires rising college juniors to pass reading and writing competency tests. Any student who does not pass the Regents' Testing Program cannot graduate from a senior college in the University System of Georgia.

State Aid to Private Higher Education

Southern legislatures in their 1978-79 budgets approved more than $40 million in state aid to private colleges and universities. Alabama became the latest to adopt a statewide program of aid to private higher education. Alabama students at 13 private colleges in the state will receive $300-a-year grants at a cost to the state of $3 million for the first year. Five of the Alabama private schools also receive direct aid from the state totaling $2 million. Georgia appropriated $8.4 million and Virginia more than $11 million for the biennium and increased their private college student grants to $600 and $500 respectively. In Maryland, the state aid to private colleges per full-time-equivalent (FTE) student was raised to 17.5 percent of the average per FTE expenditure at public colleges in fiscal 1979. South Carolina's tuition grant program remained the South's largest with a $10 million appropriation.

Veterinary Medicine

The South has doubled its number of veterinary schools within the past three years as four new schools have opened, and veterinary schools are a legislative issue in four of the seven Southern states without schools. The 1977 Congressional Farm Bill in part sparked new veterinary discussions since it contained an authorization for funding, but no appropriation, for interstate veterinary medicine programs. SREB released an updated report on veterinary medicine in June and a report for the American Veterinary Medical Association by the Arthur D. Little Corporation was released later in the summer.

Mississippi appropriated $9.5 million for Phase II construction of the Mississippi State veterinary school. The Phase I appropriation in 1977 was $13.5 million, and it is expected that approximately $7-10 million more will be needed in 1979 to complete the school.

Virginia approved a conditional appropriation of $1.25 million for construction of temporary facilities and operating costs for a new veterinary school at Virginia Polytechnic Institute and State University. The conditional language in the appropriations act states that "The release of these funds is subject to the approval of the Governor after advising the chairmen of the House Appropriations and Senate Finance committees...the Governor shall satisfy himself that the terms and conditions stated by the State Council of Higher Education...have been met." Prior to its approval of the final proposal, the Virginia Council of Higher Education directed that the following stipulations be addressed: the college of veterinary medicine must be a regional venture in terms of capital outlay and full (per student) operating costs; federal funds must be available to defray a significant portion of the capital outlay costs to the college; a significant amount of private funds must be available to defray part of the capital outlay costs; the arrangements for cooperative sharing of capital outlay and operating costs must be included in the final proposal for Council approval; the resulting college must provide Virginians with greater veterinary educational opportunities and services than are presently available;

and the college must emphasize, in its administration and curriculum, the need for large animal and public practice veterinarians.

West Virginia considered but did not pass bills calling for the establishment of a veterinary school, a study of the feasibility of establishing a veterinary school, and a study of the possibility of establishing a school in conjunction with Virginia. In what some observers saw as support for a joint veterinary school effort and others as primarily a courtesy to the bill's sponsor, the House passed, on the final day, the measure asking the Board of Regents to explore a possible joint effort with Virginia. The bill was not reported out of committee in the Senate.

Maryland directed the Commission on Higher Education to create a commission to study the feasibility of a University of Maryland veterinary school. The Appropriations Committee noted that four studies of veterinary medicine needs in Maryland have been done in recent years and that all of these reports should be considered together.

North Carolina approved establishment of a school of veterinary medicine at North Carolina State University and allocated $7.3 million for architectural planning and site preparation. In two previous years an additional $2.5 million had been appropriated for veterinary school planning. The 1979 legislature will be asked for additional construction funds on the order of $20 million. A 1981 target date has been set for the school's opening.

Collective Bargaining

There were no significant new efforts to establish higher education collective bargaining laws in 1978. Proposals for public employee and public school employee bargaining were made in several states, but the bills usually did not get out of committee. Tennessee did approve an "educational professional negotiations act" for public school personnel. Passed after a ten-year lobbying effort by the state education association, the act contains a no-strike clause, provides penalties for persons who do strike, does not provide for binding arbitration, requires negotiations to be held in open meetings, and states that if the contract is not funded the parties must renegotiate within the funds available.

In Florida, the only Southern state with higher education collective bargaining, the faculty union and the Board of Regents reached an impasse on salary negotiations which was eventually resolved by the legislature in its appropriations bill. The legislature granted university faculty the same 6 percent increase given to all state employees instead of the 8 percent the union requested. The legislature provided for a split of 3 percent across-the-board and 3 percent for merit increases instead of 7.5 percent for across-the-board and 0.5 percent for merit raises as requested by the union.

GEORGIA David Morrison, The Atlanta Constitution

"Georgia's financial picture was so healthy in 1977-78 that...[it] decided to tear up its credit cards and start paying cash for major capital improvement...."

ATLANTA, March 7--One powerful legislator described it as a session of the General Assembly of Georgia that had "something for everybody." That is a statement which implies a strong undercurrent in 1978 of pragmatic politics on the part of the members of the legislature and their principal function--the carving up of the state's record-breaking $2.4 billion budget for the coming fiscal year. The appropriations measure contained some $200 million in new money, funds that were not available for fiscal year 1978, which ends on June 30--a little more than a month before primary election day in Georgia. About half those funds were set aside for pay raises for public school teachers, university system employees and other state government personnel.

Governor George D. Busbee proposed and the 236-member legislature approved raises for everybody from the chief justice of the Supreme Court of Georgia to welfare recipients receiving Aid to Families with Dependent Children (AFDC). Although the legislators balked at raising their own $7,200 per year salaries, they did approve increases of per diem allowances, from $36 to $44, and travel allowances, from 10 cents per mile to 14 cents, for the time they spend in public service.

But if there was an "everybody" who got a larger share of the appropriations pie than others, it was educators and education. And, at the end of the 1978 session, if there was a somebody who did not get "something," it was--as usual--the taxpayer.

Numerous proposals for ad valorem property tax relief surfaced during the session. But they were either aborted as unworkable or else killed outright. House-Senate conferees huddled until after the 11th hour in the session seeking some way to use an increase in the state sales tax to roll back property taxes, the principal source of revenues for local school districts. But with adjournment instead of a compromise in sight, the lawmakers decided to wait until next year.

There was not so much controversy in the legislature's approval of spending for education, however.

"It was a most historic session as far as public education is concerned," Georgia Superintendent of Education Charles McDaniel proclaimed. "They (the governor and the legislature) gave us practically everything we asked them for."

Overall Education Spending

With the pay raises and fringe benefits included, the state will spend 52.3 percent of its total budget for education in fiscal 1978.

The budget for the Georgia higher education program is 15.3 percent of the total, $364.3 million compared with the $327 million budgeted for fiscal '78.

The biggest portions lopped from the more than $400 million that the Regents requested were in capital improvements. But the legislature did lay out $2 million for renovation of classrooms in existing buildings.

Also in the budget was $1.7 million to fund a program for using scholarships and other enticements in attracting young medical students to pledge to set up family practices in rural areas of the state with poor medical facilities after they complete their studies.

And an additional $750,000 was appropriated for some special programs tied to a recently-approved plan for further desegregation of the university system. The Regents asked the legislature for $500,000 to use as scholarship money to entice minorities and other underprivileged students to enter postgraduate professional programs. One area of emphasis will be business administration because of a drastic lack of black students in the system's programs in that field. The remaining $250,000 will pay for special summer pre-medical preparation courses for minorities.

Under the desegregation plan, approved by the U. S. Department of Health, Education, and Welfare, Georgia is seeking in the next five years to increase its minority enrollment system-wide to 20 percent and increase the number of minority faculty members and administrators.

The public schools got the lion's share of the budget for 1979--$888 million, 37.3 percent of the total and a dramatic increase over the $790 million appropriated in 1978.

The most significant expenditure other than the salary increases was $12.7 million extra for the state kindergarten program. Currently funded at about $12.3 million, the program serves only a fourth of the state's 75,000 five-year-olds. The new money will double the program. Next year the governor and the General Assembly want to fund the program in full.

Cash for Capital Improvements

Georgia's financial picture was so healthy in 1977-78 that the General Assembly and the governor decided to tear up its credit cards and start paying cash for major capital improvement programs and renovation. Other than one perennial bond project, which has lapsed unused for the last three years, there were no new bond projects authorized in the 1979 appropriations measure. Furthermore, when the lawmakers were adjusting budget figures for fiscal 1978, they

appropriated $24 million to convert some already-approved bond issues to cash projects. More than half of that money will go for education-related projects.

In the supplemental appropriation for higher education, the legislature authorized $10.5 million to pay for projects for which bonds were scheduled to be sold this year; added $7.5 million for renovation of facilities, and even threw in $25,000 for the construction of a tennis court at Bainbridge Junior College. The regular fiscal 1979 budget contains another $2 million for higher education construction.

Originally, Governor Busbee had asked the legislature to spend enough for debt service on $45 million in new bonds for $10 million worth of capital projects in higher education and $35 million for capital outlay for the Department of Education. But the legislature decided to follow its 1978 program and pay cash for those projects in the 1979 session when it approves the supplemental budget for the 1979 fiscal year.

Currently the state debt service is about 6.5 percent of gross revenues, the lowest it has been since Busbee took office four years ago. If the state can continue its "pay-as-you-go" financing of capital outlay projects, that figure should drop in the future.

Most of the new money was spent on instruction programs:

+++About $7.71 million was appropriated to create 3,247 half-time positions for teacher aides for work in the primary grades with learning problems. Most of the funding will be directed toward first graders, but there are provisions for non-graded primary assistants.

+++500 new special education positions were created at a cost of $5.67 million.

+++Maintenance and operation funds were increased $180 per student, based on average daily attendance, to $1,700 at a total cost of $8.1 million. Language was included in the appropriations measure to allow local school districts the discretion of using some of the funds for elementary specialists in the areas of art, music and physical education.

Education Pay Raises

When Governor Busbee came into office in 1975 with the help of a $30,000 campaign contribution from the powerful, 58,000-member Georgia Association of Educators, he promised to make education the number one priority in his administration. For many, that meant improving the pay scale for educators, which in comparisons with other states in the Southeast had slipped from near the top of the statistical charts to near the bottom.

But in the spring of 1975, Busbee and the legislature faced a severe revenue shortfall; the governor had to call the General Assembly into an extraordinary session to trim the budget. The first items to be cut were the pay raises for

all state employees, including those for teachers and university system personnel.

In the past two years, the situation has improved, due to a steady growth in the state's economy, but not to the extent educators had hoped. For example, in the 1977 session, the General Assembly approved pay raises of 9.5 percent for university system personnel, for total increases over the last three years of 14.5 percent. But Chancellor George Simpson, in asking lawmakers for a substantial increase in 1978, pointed out that increases for university personnel in neighboring states over the same time period had ranged from 23 to 29 percent.

Another factor influencing legislators' decision to increase teachers' salaries was a report that an insufficient number of teaching personnel is being prepared, attracted and retained in the state's public schools. Furthermore, legislators expressed concern over drops in the number of graduates in some teacher preparatory programs and over reports that teachers are leaving the profession for better paying jobs.

Both the governor and the legislature responded to the problem. Lawmakers approved $28 million in pay raises for university system personnel, enough money for across-the-board increases of 10 percent for the 6,000 academic and 25,000 non-academic employees. Although the state Board of Regents, the 15-member governing body of the 32-institution University System of Georgia, will meet later this year to make the final determination of how the funds will be allocated, under tentative plans each employee will receive a modest 1.5 percent cost of living increase. The remaining 8.5 percent will be parceled out as "merit increases" by the administrations of the institutions and other facets of the system.

All 62,000 public school teachers and administrators in the state will receive across-the-board increases of 7.5 percent in addition to their normal longevity- and education-based step increases. The price tag for the raises is $41.5 million.

The raises were calculated to bring education salaries in line with those paid to the state's 50,000 other employees, all of whom will be getting raises of 6.75 percent effective July 1 on a $33 million appropriation. But the funding also contains a $5.3 million provision for upgrading some of the employee salaries. A controversial two-year study has revealed that about 65 percent of the state employees are underpaid for the work they perform while 11 percent are overpaid. For those who earn what they should or more than they should, there is a $750 ceiling on the raises. For those who are underpaid, the ceiling does not apply.

Other Actions Affecting Higher Education

"We had one hellacious number of bills affecting our program in one way or another," said Henry Neal, the executive secretary of the state Board of Regents.

"But," he added, "we haven't studied them in enough detail to determine how exactly they will affect us."

Tuition equalization grants, a program administered through the state Scholarship Commission, received an $8.4 million appropriation to allow an increase from $500 to $600 per academic year for approved students attending private colleges and an additional $200 for summer term eligibility.

A bill to create a special authority to oversee the acquisition, construction and equipment of self-liquidating projects for educational facilities for sale or lease to private institutions of higher learning passed both the House and the Senate.

A bill to allow the election of a member of the Board of Regents from each of the state's 10 congressional districts died in a House committee. Members are now appointed by the governor with consent of the Senate.

(Another measure, an attempt to amend the state constitution, would have had the state school superintendent appointed, rather than elected statewide. It too died in a House committee.)

No action of any kind was taken on a bill that would have allowed the sale of beer at Georgia Tech football games, a measure that would have greatly expanded revenues for the school's athletic programs.

Although no legislation was introduced that would have allowed collective bargaining for public school teachers and university system personnel, a measure to outlaw such provisions was killed in the House.

Most of the bills Neal was referring to were of a general nature, affecting all Georgians or all state agencies just as much as they affect the university system. His concern, he conceded, ranges from seemingly obscure acts such as placing bicycles under the state vehicle code so they have to abide by traffic laws ("You'd be surprised at the number of bicycles we have at the University of Georgia," Neal says) to the impact of the controversial Fair Employment Practices Act, which prohibits any kind of discrimination in state employment for minorities, women, and the handicapped.

One measure passed by both the House and Senate could have a significant impact on all educators who use the title "Dr." The bill prohibits use of the title in advertising, even on business cards, or in other references, without a description of the discipline in which the degree was conferred or a statement that the degree is honorary if it is unearned.

A measure that is likely to resurface is a bill that would have changed the mandatory retirement age of state employees from 65 to 70. It did pass the House and got a favorable report from a Senate committee, despite opposition by several state department heads. However, on the next to the last day of the session, a member of the Senate Rules Committee excercised his "courtesy"

option and asked that the measure be kept off the final day's calendar, effectively killing the bill for the 1978 session.

In a further attempt to equalize education compensation and that of other state employees, the General Assembly tied some substantial benefits to the education pay raises to make them more attractive, including:

+++Appropriation of $13.3 million to include teachers and retired teachers in the state employees health and hospitalization program. The money also upgrades participation in the program of university system personnel;

+++Approval for public school teachers to accumulate up to 45 days sick leave over a period of years instead of the current 11 days sick leave per year; cost for the change is $2.2 million and there is no provision for a bonus for teachers who do not use their leave time;

+++Appropriation of $3.7 million to improve the retirement formula for state contributions to the Teacher Retirement System for both higher education academic personnel and public school educators;

+++Approval of a change in the formula for calculating retirement pay for the members of the TRS to base pay on earnings in the highest paid two years, rather than on the average of the best five years' pay.

WEST VIRGINIA Tom Miller, Huntington Herald Dispatch

"...faculty salaries in some areas ranked below the county public school salaries for persons with equal qualifications."

CHARLESTON, March 14--Higher education got little attention at the 1978 session of the West Virginia legislature. Neither did many other things except taxes and the budget. Although the session was extended three days beyond the prescribed deadline, fewer bills were passed than at any session since 1933. Pre-occupation with tax increases is the reason given most often for the fact that the legislature passed only 118 bills and gave little attention to most areas of state government, including higher education.

Governor Jay Rockefeller recommended and the legislature passed a half dozen separate tax increases that will collectively produce about $55 million in new money. The legislature raised the tax on cigarettes from 12 cents to 17 cents a pack, raised the tax on gasoline from 8.5 cents to 10.5 cents per gallon, raised the fee for vehicle license plates about 25 percent, equalized the business tax on electricity so that power shipped out of the state is taxed at the same rate as that used within the state's borders and also closed loopholes in the 1969 industrial tax credit law.

New legislation also requires that major businesses file their business and occupation tax returns on a monthly rather than quarterly basis. This speeded-up collection will be phased in over a two-year period and will result in a one-time cash flow benefit of $30 million during each of the next two years. For persons 65 and older, the governor proposed a utility tax credit and an additional income tax exemption, but neither measure passed.

These new taxes helped finance a total state budget for 1978-79 of $964.3 million, 8.3 percent more than for the current year. The continuing coal strike which was not settled until after the legislature adjourned loomed over the entire session and ultimately produced an estimated state tax revenue loss for the current year of about $40 million.

Governor Rockefeller ordered a freeze on all raises, new hiring, and out-of-state travel until the coal strike was over. (He had not lifted that freeze as of the end of March.) The legislature's actions to speed up business tax collections, bringing in an additional $30 million by June 30, should get the state over the hump, according to Governor Rockefeller.

Debate Focussed on Faculty Pay

The appropriation for the West Virginia Board of Regents was $108.8 million, a 7.5 percent increase over last year's figure of $101.2 million but far short of the $123.8 million that the Regents had requested for higher education.

This included a 7.9 percent increase in the colleges and universities' personal service account (salaries). The Board of Regents will establish guidelines for distribution of these funds. Governor Rockefeller and the legislature both had some advice for the Board of Regents about faculty salaries and employment.

The governor strongly suggested "that a salary increase for higher education be passed through to the colleges and universities on a uniform basis.

"I further suggest that the leaders in higher education follow the example set by state government and begin holding the line on new employment," he said. "It is time that we in West Virginia concern ourselves less with new programs and return to the basics of education. And we can do that with the number of personnel we presently have."

Several bills were introduced, but not passed, which called for across-the-board faculty pay increases or proposed standard faculty salary scales. A bill which passed the House of Delegates called for all faculty members at state colleges and universities to receive a $1,500-across-the-board raise starting July 1, 1979 with an accompanying 7.5 percent boost for non-teaching employees who earn $9,000 or less and a five percent raise for those earning more than $9,000. But it died in the final hectic day of the regular session in the State Senate when the Rules Committee voted not to put it on the special calendar.

The legislation to provide an across-the-board salary increase for faculty members was a result of a 1977 study by a legislative higher education subcommittee which reported that salary levels and distribution of salary increases were major issues on all campuses. West Virginia ranks low among the SREB states in average salaries and is second from the bottom among the Southern states in average salary for full professors. The subcommittee found faculty salaries in some areas ranked below the county public school salaries for persons with equal qualifications.

Delegate Patricia Hartman, a member of the subcommittee, was a sponsor of the salary bill and she said she offered the across-the-board approach because basically this would bring all salaries up. She said that the measure did not go as far as she would like, however. Chancellor Ben Morton told college presidents shortly after the legislative session that he will make his recommendations for the distribution of the 7.9 percent increase in personal services money at the May meeting of the Board of Regents. However, Chancellor Morton indicated that he strongly opposes an across-the-board increase which would not allow for merit increases, and most of the college presidents at the meeting concurred.

Senator Robert Nelson, D-Cabell and chairman of the Senate Education Committee, tried unsuccessfully to reduce the higher education salary budget by $5 million to register his protest against the Board of Regents' Higher Education Resource Fund, begun four years ago as a replacement for the myriad of instructional fees being charged. The current rates are $25 per semester for residents and

up to $180 for non-residents and produces $5 million a year according to a legislative study last year.

Nelson argued the Regents collect these fees but do not turn them into the state treasury so the legislature has no authority on the use of these dollars.

Coal Research Center Funded

The biggest single budget increase for higher education was the additional $1 million added to the Bureau of Coal Research at West Virginia University, doubling its appropriation. However, the extra $1 million is earmarked for establishment of a National Research Center for Coal and Energy as requested by Governor Rockefeller.

"We have a national role to play in energy and I am determined that we shall carry out that role on our home turf," the governor said in his State of the State address January 11. "And I am confident that if we establish this facility, we will receive federal designation as one of the nation's regional energy research centers."

An effort by the Regents to substantially boost the scholarship grant program from $2.3 million this year to $3.2 million next year in order to raise the number of grants from about 5,000 to 6,000 was rejected by the legislature. The new appropriation is $2.5 million.

A bill to permit West Virginia scholarship recipients to study at schools in other states passed the House of Delegates but was rejected in the Senate. Chancellor Ben Morton told a study subcommittee earlier in the year that the state of Pennsylvania particularly wants a reciprocity arrangement with West Virginia since many of its scholarship grants are used to attend West Virginia colleges and universities. A deadline of fall, 1979, has been set by Pennsylvania for action by West Virginia.

Veterinary Medicine Stirred Interest

One new program that at least gained a foothold in the legislature this year was the proposal to authorize West Virginia's participation in a regional school of veterinary medicine with the state of Virginia. A bill to authorize the Regents to explore this possibility passed the House of Delegates the final day of the session but did not get approval in the State Senate.

House Finance Chairman Charles M. Polan, Jr., D-Cabell, said he thinks the House action "gave a message to the Regents" that the legislature wants them to explore the possibility.

House Majority Leader Clyde See, D-Hardy, led the floor fight to get the bill passed while freshman delegate Harry Newell, D-Kanawha, was the key opponent. Newell, appointed by the governor to fill a vacancy last summer, is a veterinarian by profession.

See, who represents the rural agriculture interests in the state, argued the veterinarians now practicing in the state cater to the "carriage trade," i.e., pet owners, and do not provide services for horses, cattle and sheep.

West Virginia now has four contract programs, primarily through the Southern Regional Education Board, for students to study in schools outside the state in areas not offered within the state. These fields are architecture, optometry, veterinary medicine and podiatry. The total cost this year for all four is $646,100, about $400,000 of which is for veterinary medicine. The SREB program will enable 31 West Virginia students to study veterinary medicine next year at a cost to the state of $5,500 each. Thirty students are enrolled in non-SREB state schools at a cost of $8,000 each.

The bills on higher education passed by the legislature this year include:

+++A measure to require the Board of Regents and the State Board of Education to file new rules and regulations with the Legislative Rule-Making Review Committee. The two agencies both appealed to Governor Rockefeller to reject the bill, and he did veto it in late March.

+++A bill to require the governor to fill vacancies on the Board of Regents within 60 days and to prohibit proxy voting when chairmen are elected to the Faculty Advisory Council and the Student Advisory Council.

A bill to prohibit the establishment of new branch colleges or community colleges in areas close to existing schools was tried again this year after it was vetoed by the governor in 1977. The bill passed the House of Delegates early in the session but then was tabled in the Senate Education Committee and never revived.

Collective bargaining for state employees and those in higher education as well were introduced again but did not emerge from committee. A committee of respected citizens has now been organized and already is sending out a series of news releases statewide to oppose the issue at the 1979 session and in subsequent years.

The few major pieces of legislation enacted--in addition to the tax measures--dealt with juvenile law, election reform, generic drugs and an elimination of the fixed interest rate ceiling on home mortgages.

The legislature also passed a West Virginia Sunset Law which calls for the scheduled termination of certain state agencies and boards starting July 1, 1979 if they cannot justify their continued existence. However, Governor Rockefeller vetoed the Sunset legislation, asserting that a clause in the bill would have eliminated all executive departments of state government by 1985.

VIRGINIA Allen R. McCreary, The Richmond News Leader

A successful bond referendum in November "...probably helped set the stage for a quiet but substantial show of support for higher education during the 1978 legislative session."

RICHMOND, March 29--Higher education interests walked away from the 1978 General Assembly session with a tangible start toward a regional school of veterinary medicine at Virginia Polytechnic Institute and State University, a hefty hunk of capital outlay for long-delayed building projects and about the same percentage of new money for operating expenses as was allocated from general fund revenues in the 1976 biennial budget. It happened without a lot of flak or fanfare. A voter-approved state general obligation bond issue of $125 million stemming from a referendum last November probably helped set the stage for a quiet but substantial show of support for higher education during the 1978 legislative session. Colleges and universities got 70 percent of the $125 million bond issue, or about $87.5 million for building and renovation projects.

The bond issue referendum, which former Governor Mills E. Godwin, Jr., said in advance of the voting would be a vote of confidence in higher education, did not deter the legislators from appropriating an additional $34.9 million this year for capital outlay projects for colleges and universities. That general fund appropriation plus the bond issue projects adds up to $122.4 million for college buildings, a sharp contrast to the $5.5 million appropriated for that purpose from general fund revenues for the 1976-78 biennium.

The legislative session was dominated by issues such as pari-mutuel betting, which passed and will be the subject of a fall statewide referendum, and the Equal Rights Amendment, which was defeated. In comparison, most higher education issues got little attention and sparked only mild controversy.

But the $9.2 billion 1978-80 Virginia budget, which includes $4.5 billion in general fund allocations and $4.7 billion in special funds, was enough for substantial increases for state-supported colleges and universities and public elementary and secondary schools. The budget includes no new taxes.

Total state appropriations for education and general funds, including financial aid, amounted to $618.1 million for the four-year and two-year public higher education institutions. The appropriations represent an increase of 17 to 18 percent over 1976-78.

These appropriations were based in part on enrollment increases projected for the public colleges and universities for the biennium including a 4.7 percent increase for doctoral-granting institutions, a 6.3 percent increase for the comprehensive colleges and universities and a 14.2 percent increase for the

community colleges. Statewide, the average increase in higher education enrollment is expected to be about 8.2 percent during the biennium.

The 1978-80 budget provides for salary increases averaging 7.2 percent during the first year of the 1978-80 biennium for faculty members at most of the four-year state-supported colleges and universities. Salary increases averaging 9.6 percent will go to faculty members at most of the community colleges.

During the second year of the biennium, further salary increases of 4.8 percent for faculty at four-year and two-year colleges were provided for in the budget. That figure could drop if the revenue collections fall below the projected level, state officials indicated.

Terms Set for Creating Veterinary School

With strings attached, the appropriation of $1.25 million for the beginning of a school of veterinary medicine at Virginia Tech looks like this: $700,000 will go for construction of temporary facilities, and $550,000 for operating expenses for the biennium. Governor John N. Dalton will release the funds, according to terms of the appropriations act, only after he is satisfied that terms and conditions agreed to by Virginia Tech and the State Council of Higher Education have been met.

The university and the council had been discussing the feasibility of a veterinary medical school in Virginia since 1974, while exploring the possibility of cooperative efforts with other states. The number of contract spaces available each year for Virginia students entering such schools in 1980 is now likely to be only slightly more than the 31 entering spaces now available and not 48 spaces as projected earlier. Supporters cited this situation as one reason for Virginia's construction of its own school.

In last fall's campaign, Governor John N. Dalton said he favored establishment of a veterinary medical school at Virginia Tech.

If the agreed-upon conditions are met, the veterinary school could admit the first students by 1980. The conditions were: that the college of veterinary medicine must be a regional venture in terms of capital outlay and full (per student) operating costs; that federal funds must be available to defray a significant portion of the capital outlay costs to the college; that a significant amount of private funds must be available to defray part of the capital outlay costs; that the arrangements for cooperative sharing of capital outlay and operating costs must be included in the final proposal for approval by the higher education council; that the resulting college must provide Virginians with greater veterinary educational opportunities and services than are presently available, and that the college must emphasize the need for large animal and public practice veterinarians.

The eventual cost of constructing a Virginia school is estimated at $30 to $35 million and annual operating costs are put at $6.5 to $7 million by the council.

Student Aid Program Expanded

The lawmakers appropriated $11.4 million for the 1978-80 biennium for the Tuition Assistance Grant and Loan Program, a 41 percent increase over 1976-78 appropriations for the program. The tuition program provides grants up to $500 per student for Virginia residents attending private colleges in Virginia. The limit was $400 per student during the current biennium.

The other large student aid program, the College Scholarship Assistance Program, will be boosted more than 100 percent from a total of $2.1 million during the current biennium to $4.4 million for the 1978-80 biennium. The program provides financial aid for students in private and public colleges in Virginia on the basis of financial need.

Comparisons of budgeted amounts for the 1978-80 biennium with appropriations for the 1976-78 biennium are complicated by a switch to program budgeting statewide and shifting of categories such as fringe benefits between agencies and institutions. Higher education fared comparatively well in budget increases although public safety (State Police and corrections functions) and state agencies directed by the Secretary of Commerce and Resources (agriculture, air and water pollution control, etc.) received a somewhat higher percentage increase in general fund appropriations.

Lawmakers Mandate Several Studies

In addition to budgetary items, the lawmakers considered 34 government reorganization bills and resolutions. Only 13 were approved. A bill to create a Department of Educational Authorities, which would combine most of the state's student loan activities under a single agency, was carried over for further study by the House of Delegates.

Several higher education bills generated some discussion but did not pass. One would have removed the exemption of college and university Boards of Visitors from the Freedom of Information Act. It passed the House of Delegates but was carried over for further study by the Senate.

Another bill would have opened the financial records of institution-related activities such as bookstores and food service operations; it passed the Senate but was killed by a House of Delegates committee.

A bill originating in the House of Delegates that would have required the Council of Higher Education to review graduate programs and discontinue them under certain conditions passed the House but lodged in the Senate Education and Health Committee. The committee, at the council's urging, carried it over for more study. The council suggested that implementation of such a bill would require considerable consultation with the institutions.

One of the more unusual measures was a section of the appropriations act providing $80,000 for the 1978-80 biennium for tuition assistance to Eastern

Shore residents who attend nearby Maryland colleges for their third and fourth years. The Council of Higher Education will administer the funds, which were intended to ease the burden of Maryland out-of-state tuition on Eastern Shore residents who cannot affort to commute to Virginia colleges because of the Chesapeake Bay Bridge-Tunnel tolls. No funds were provided for first and second year students because of the availability of freshman and sophomore programs at Eastern Shore Community College in Virginia.

The legislators also broadened the National Guard Tuition Act to provide for scholarship assistance to certain National Guard members attending private colleges. Previously the tuition program was available only to Guard members attending state-supported institutions.

A House Joint Resolution observed that smaller institutions may need a higher ratio of faculty to students, but that the higher education council's budget guidelines for faculty/student ratios is the same for all institutions. The resolution requests the council to consider the problem in formulating its guidelines.

A Senate Joint Resolution requests the council to study the feasibility of establishing a law school at George Mason University through affiliation with the International School of Law, a private law school with an enrollment of about 500 located in Arlington. Earlier proposals for a law school at George Mason were defeated in past sessions of the legislature, partly because of previous council studies which concluded that an additional state-supported law school was not needed in Virginia.

Proficiency Testing Required in High Schools

The standards of quality for public education were amended by the legislature to provide for proficiency testing of high school seniors in 1981. Earlier, the State Department of Education had included a proficiency testing requirement in its accreditation standards for high schools. The department agreed with some legislators that placing the testing requirement in the standards of quality would give them more visibility.

The state Board of Education approved last week a requirement for statewide testing of high school seniors in reading and mathematics in 1981. The board did not set a minimum grade level requirement but will set a minimum requirement later. Students who do not meet the requirement will not receive diplomas. But school divisions are expected to provide for retesting for those who fail. The board indicated that commercial tests already in use in other states might be used for the testing. The Department of Education will be studying further the need for proficiency testing of seniors in history and cultures of the United States and ability to obtain employment or to pursue training beyond high school.

The initial testing proposal, as outlined in the high school accreditation standards, would have let each of the state's 141 school divisions set minimum proficiency requirements. The Board of Education decided to set a statewide minimum and a uniform statewide testing program after local school officials protested that some localities did not have the resources to develop a proficiency testing program and that students transferring from one school division to another would have difficulties if localities had different levels of achievement required for graduation.

Campus Construction Projects Increase

Among the larger building projects provided for in the general obligation bond issue approved by Virginia voters last November were:

+++$8 million library addition at Virginia Tech.

+++$6.5 million animal science building at Virginia Tech.

+++$6 million downtown Richmond campus, J. Sargeant Reynolds Community College

+++$5.8 million occupational/technical building at Alexandria campus of Northern Virginia Community College

+++$5.8 million academic building, George Mason University.

+++$6.1 million life sciences building at Old Dominion University in Norfolk.

+++$5 million undergraduate readers library, University of Virginia.

+++$5.1 million law school building at the Marshall-Wythe School of Law, College of William and Mary.

In addition to the capital outlay funds from the general obligation bond issue approved by Virginia voters, tax funds were appropriated this year for a $7.5 million academic and office building for George Mason University in Fairfax and other building projects ranging from $1 million to $2.5 million for Old Dominion University in Norfolk, Virginia Commonwealth University in Richmond, Virginia Military Institute in Lexington, Christopher Newport College in Newport News, J. Sargeant Reynolds Community College in Richmond and Tidewater Community College in Norfolk and Virginia Beach. Numerous other renovation and repair projects ranging up to $500,000 were approved and funded.

KENTUCKY Richard G. Wilson, Louisville Courier-Journal

"By any previous standard, higher education in Kentucky did quite well by the 1978 General Assembly."

FRANKFORT, March 26--Shortly after Kentucky's 1978 General Assembly adjourned for another two years, a reporter asked Governor Julian Carroll why so little major higher education legislation was discussed. "I guess, for one reason, the golden age of growth has essentially levelled off," Carroll said. Nevertheless, Carroll added, he had proposed--and the legislature had adopted--what he termed "adequate" funding for the Kentucky system of eight universities and thirteen community colleges.

By any previous standard, higher education in Kentucky did quite well by the 1978 General Assembly. A record budget was adopted; very little restrictive legislation was proposed, and none was adopted.

About the only complaints voiced toward the universities during the 60-day session came from some rural legislators who contended that the state's medical schools--and to a lesser extent the dental and law schools--weren't turning out enough doctors, dentists, and lawyers to serve their constituents.

But their proposals to remedy the problem fell on deaf ears. Programs are already under way that will hopefully place at least more physicians in rural areas, state and medical school officials said. Just give them time to work, they urged.

Focus on Elementary-Secondary Funding

The story of Kentucky's 1978 session was one of elementary and secondary education. Carroll and the legislature pumped an unprecedented $275 million in new money into the Bluegrass State's public schools. More than $150 million of this amount goes toward increasing teachers' salaries by an average of nearly $3,000 by 1980.

The teacher pay raises kept a Carroll campaign commitment to raise the Kentucky average to that of the seven surrounding states by 1980. If pay raises in these states go up no more than 6 percent in the next two years, Carroll said he will have met his commitment.

The Kentucky salary average is about $11,700 this year. Under the executive budget it will be $14,608 by 1980. Carroll says the increases for teachers should move Kentucky's salary average for teachers from 38th to 24th nationally by 1980.

The bulk of the remaining new money for elementary and secondary education goes for increased operating expenses, for supplementary state aid to poorer

school districts, and to fully fund a statewide kindergarten program. Vocational and special education will also be expanded, and experimental classes will be funded for intellectually-gifted youngsters.

Competency Testing Approved

Besides funding, the legislature also put Kentucky into another new educational mainstream by adopting a competency-testing program for many elementary and secondary education pupils. Beginning this fall, third, fifth, seventh, and tenth graders will be given basic skills tests. The tests will be used to identify pupils with academic weaknesses. Pupils who show a need for remedial work will have special help provided in the fourth, sixth, eighth, and eleventh grades.

Called The School Improvement Act, this legislation also requires each of Kentucky's 180 local school districts to use the test results to develop annual school improvement plans which must be submitted to the state Department of Education.

The Improvement Act, plus most other advances in the common schools, was proposed by a Governor's Task Force on Education which Carroll named in early 1977 to study needed educational improvements in the state.

More than 600 Kentuckians spent the better part of a year studying numerous areas of education before making their recommendations to Carroll and the General Assembly.

Few of the task force's legislative recommendations dealt with higher education. Task force members apparently felt that a revitalized state Council on Higher Education was properly overseeing most activities on the college and university campuses.

Nevertheless, some 75 pieces of legislation relating directly or indirectly to higher education were introduced in the 1978 session. Of this number, 22 were enacted into law, although many of the bills were routine measures.

Higher Education Construction Funds Limited

Carroll's proposed higher education funding for the 1978-80 biennium beginning July 1 (1978) caused hardly a stir in the legislative chambers or committee rooms.

Kentucky's overall funding for higher education from all sources will go from $916,450,657 in the current (1976-78) biennium to $1,135,036,077 in 1977-78, or a 23.9 percent increase. These figures include state appropriations, federal funds, and trust and agency receipts (campus-generated revenues).

In state appropriations alone, spending of $473,083,669 in the 1976-78 biennium will go up 29.6 percent, or to $613,262,077 in 1978-80. The state's

capital facilities budget also contains about $19 million for campus construction--the smallest allotment of capital funds in recent years.

The eight universities had sought approval for construction projects exceeding $200 million. But the governor and the legislature said that any construction beyond the $19 million must be financed through revenue bond sales.

About $4 million of the construction funds is earmarked for renovation and expansion of two animal diagnostic centers which were transferred from the state Department of Agriculture to the University of Kentucky and Murray State University.

The other $15 million of the capital construction pool will be distributed by the higher education council to the institutions. Of this amount, $5 million is earmarked for the community college system operated by UK, with the other $10 million going to the senior universities.

(At its April 12 meeting, the council outlined three standards which it will follow in parceling out the $15 million. The first priority will be to eliminate physical barriers for handicapped persons. The second will be to make building modifications for the conservation of energy; and the third priority will be to make necessary renovations for compliance with local, state, and federal building and fire safety codes.)

College Operating Funds Up Sharply

In general operating expenses, state funding for the eight state universities, including UK's community colleges, is about $233,611,500 this year (1977-78). The executive budget will increase this amount by nearly 19 percent, or to $277,844,500 in 1978-79. In 1978-79, state funding for operations will go to $306,202,200, or up another 10.2 percent.

In addition to the funds appropriated directly to them, the universities will also be allocated slightly over $3 million each year by the education council for enrollment increases, program improvements, and faculty salary adjustments.

The salary adjustments are supplemental to the regular six percent cost-of-living increases contained in the institutional budgets. This supplemental allocation is designed to bring faculty salaries up to the median level of their "benchmark" institutions in surrounding states.

David Carter, the education council's associate director for finance, said that the largest portion of the new operating budget is earmarked to offset inflation.

Nearly $16 million of the $44.2 million in new operating dollars in 1978-79 goes for this purpose. And in 1979-80, about $14.4 million of the $28.4 million increase is targeted for inflation.

Besides operations, the legislature also provided funds for three other higher education-related areas. The education council's budget will be increased from $4,616,400 this year to $4,966,500 in 1978-79 and $5,209,100 in 1979-80.

The council is Kentucky's higher education coordinating agency. It is also the coordinating unit for contract spaces for Kentuckians studying veterinary medicine, optometry, and public health at out-of-state universities.

About $3 million of the dollars allocated to the council each year is to operate the Area Health Education System. The system, with cooperation of the universities, provides rural field experiences for students in the various health care disciplines. The program's purpose is to introduce students to rural health care in the hope that they will find it enticing and decide to practice there after graduation.

Student Aid Efforts Increased

The state's Higher Education Assistance Authority (HEAA), which administers student aid, also received funding to slightly expand its aid programs. About 9,645 Kentucky public and private college students received grants ranging from $200 to $300 this year under the student incentive grant program, according to HEAA Director Paul Borden. He estimates that sufficient funds were allotted to his agency to provide the same range of grants to more than 10,000 eligible students in each of the next two years.

Another grant program limited to financially-needy private college students isn't expected to expand much, if at all, Borden said. The legislature also authorized the HEAA to sell $30 million in bonds to provide funds for low-cost student loans. Some of the bond proceeds, Borden added, will be used to convert already federally-insured loans to state-insured ones.

The third area of indirect higher education funding is retirement programs. Slightly more than $11 million was allocated directly to the state's Teachers' Retirement System to cover benefits for employees at five of the eight state universities. (Employees at UK, U of L, and NKU are covered by TIAA-CREF. The state allocates its retirement contributions for employees at these schools directly to the institutions.)

Rural Physician Shortage Debated

The most extensively-debated higher education issue of the 1978 session was one that has been simmering for several years--a scarcity of physicians in rural areas. But none of the several bills aimed at the issue were adopted.

One measure would have required the state's medical, dental, and law schools to apportion their entering class seats among the state's seven congressional districts. This measure's supporters said its passage would eliminate discrimination against rural Kentuckians in professional school admissions.

After being amended in a House committee, the bill finally passed the House, but later died in a Senate committee. The amended version required the higher education council to determine "an equitable distribution" of professional school seats "among all regions of the Commonwealth."

The bill was aimed primarily at the UK and U of L medical schools. Officials from these and other professional schools called the bill unworkable. They also said its provisions would not guarantee alleviation of the shortage of doctors in rural areas. "No one can guarantee that they (doctors) will go back to their home areas to practice," said one official.

Other related bills, which did not even win committee approval, would have:

+++Required the medical schools to give scholarship priority to applicants from medically-underserved areas.

+++Added several practicing physicians, primarily from rural areas, to the medical school admissions committees.

+++Required Kentucky residents accepted to medical school to agree to practice one year in the state after graduation for each year in medical school. Without agreement, or such practice, they would have to repay the state for the entire cost of their medical education.

While none of these measures were successful, the legislature didn't completely turn its back on the issue. Both the House and Senate finally adopted a resolution, which the governor signed, to study the problems rural Kentuckians have in admissions to medical, dental, and law schools. The study will be conducted by the Legislative Research Commission.

Several other resolutions, which have the force of law, were passed by the legislature. They include:

+++Development of a proposal by the education council to equalize campus employee benefits and employee and employer contributions to retirement programs.

+++Creation by UK's Cooperative Extension Service of a voluntary system of weather and flood information which must be distributed to counties seeking it.

+++A study by the council and Legislative Research Commission of the status of federally-funded scientific research and development in the state.

Among the bills passed by the legislature were measures to liberalize retirement benefits for some campus employees and to rescind a statute prohibiting college professors from serving in the legislature.

The retirement bill permits members of the state Teachers' Retirement System

to retire after 30 years' service. Faculty and staff members at five of the state universities are covered by this measure. Previously, they could retire after 30 years if they were 55.

The legislature also revised the conflict-of-interest statute relating to university trustees and regents appointed by the governor.

Under the revision, trustees or regents can have business interests with the schools on whose boards they serve if they meet several conditions. The business must be gained through competitive bidding and the trustee or regent's firm must have submitted the low bid.

Other higher education bills passed by the legislature included ones to:

+++Create a 13-member commission to fund and coordinate cancer research and to provide $2 million to build research facilities in Louisville and Lexington. UK and U of L's medical schools will conduct most of the research in the new facilities.

+++Give the higher education council more authority over creation of new programs at state universities. A governmental reorganization bill--which merely ratified a number of executive orders already signed by Carroll--expands the council's program-approval authority to ones at the baccalaureate level.

+++Authorize campus governing boards to grant the power to suspend or expel students to a committee of the faculty and students, instead of just committees of faculty members.

+++Restrict $500-a-year college scholarships for Kentucky national guardsmen to attendance at Kentucky state universities, instead of state-supported universities in other states too.

Two proposals that have surfaced in the past several sessions were introduced again in 1978, but neither measure got very far. One would add a voting student and faculty member to the higher education council. This bill did pass the House after being amended to give membership only to a non-voting student. It later died in a Senate committee.

A bill to create a veterinary school at UK was also introduced. But it didn't receive any consideration, even in committee. Another measure which provoked no consideration was aimed at a special tuition reciprocity program in which Murray State and Western participate. This bill would have required all non-Kentucky undergraduates at state universities to pay the same tuition.

Western admits undergraduates from three nearby Tennessee counties as Kentucky residents. The program reciprocates one whereby Tennessee's Austin Peay State University admits Kentuckians at in-state (Tennessee) tuition rates.

For the past three years, Murray has had a similar program with Tennesseans from five nearby counties. Last year the higher education council also permitted Murray to offer non-Kentuckians from 24 Missouri, Illinois, and Indiana counties within a 100-mile radius of Murray a similar arrangement. The special program at Murray was to help that school fill its dormitories.

Following is a breakdown of each state school's 1977-78 state appropriation, its general fund appropriation for each of the next two years, and the annual percentage increase:

+++EASTERN KENTUCKY UNIVERSITY--This year's $23,665,750 will go up to $25,794,600 in 1978-79, a 9 percent increase, and to $27,780,400 in 1979-80, another 7.7 percent.

+++KENTUCKY STATE UNIVERSITY--KSU will receive $7,567,500 in 1978-79, a 14.1 percent increase over this year's $6,631,632. The 1979-80 funding will be $8,587,600, up another 13.5 percent.

+++MOREHEAD STATE UNIVERSITY--This year's $14,415,279 will go up 9.6 percent to $15,799,400 in 1978-79, and another 7.3 percent to $16,953,900 in 1979-80.

+++MURRAY STATE UNIVERSITY--Murray received $16,575,591 this year and will get $19,107,700, or an additional 15.3 percent, in 1978-79. In 1979-80, its budget will go up an additional 9.2 percent to $20,874,900.

+++NORTHERN KENTUCKY UNIVERSITY--This year's $10,616,631 will go up 25.6 percent to $13,334,800 next year, and up another 8 percent to $14,400,300 in 1979-80.

+++UNIVERSITY OF KENTUCKY--UK's $94,759,000 this year will go up 18.3 percent to $112,110,100 in 1978-79, and to $123,187,800 in 1979-80, or another 9.9 percent.

+++UNIVERSITY OF LOUISVILLE--This year's appropriation of $44,245,489 will go to $56,386,100, for a 27.4 percent increase next year, and to $64,971,200, or up another 15.2 percent, in 1979-80.

+++WESTERN KENTUCKY UNIVERSITY--WKU will get $24,654,700 next year, an 8.6 percent increase over this year's $22,701,135. Its 1979-80 budget will be $26,356,500, another 6.9 percent increase.

MISSISSIPPI James S. Saggus, The Associated Press

"...the new funding represented a 404 percent increase in college support over the past decade."

JACKSON, April 7--Mississippi's eight state universities will have considerably larger budgets next fiscal year with the record appropriations act approved by the 1978 legislature. The largest-ever Mississippi general fund budget, $868 million, was financed without any tax increases, and lawmakers said all higher education causes got a total of $171.7 million, or 19.8 percent of the total. Besides avoiding new taxes, the legislature gave modest breaks to many taxpayers by ending the five percent sales tax on residential fuel bills at an annual cost of $20 million, increasing the inheritance tax exemptions to $120,000, and doubling the standard state income tax deduction to $1,500.

Lawmakers agreed to increase the funds to support the activities of the College Board from the present $88.7 million in state general fund money to $105.9 million. Representative Charles Deaton of Greenwood, chairman of the House Appropriations Committee, said the new funding represented a 404 percent increase in college support over the past decade. Although the final figure was some $8 million below the amount requested by the College Board, Executive Secretary E. E. Thrash said lawmakers tried to find every dollar possible for higher education and "I thought it was a fine appropriation."

Outside the appropriations arena, the session was the quietest for higher education in recent years. There was a perfunctory attempt to revise the makeup of the College Board, but it was sidetracked in the Senate before coming to a vote. The board controls the eight state universities.

College Management Study Voted

However, the legislature did order scrutiny of the management of the universities and the 16 public junior colleges, each of which is governed by its own board selected from the district which provides the other part of its support. The College Board appropriation included $400,000 for a professional analysis or management study of postsecondary education. And the legislature's Performance Evaluation and Expenditure Review (PEER) Committee will perform an audit at each junior college.

The biggest college-related capital construction project approved during the session was $9.5 million for a building to house the new veterinary medicine school at Mississippi State University.

The College Board appropriation bill passed the Senate originally at $105 million and the House at $105.5 million, with another $400,000 included by the House for the management study. The two chambers were never far apart on the figures and, when the bill won approval in its final form, Deaton told

the House, "Since 1967, this amount will amount to a 404 percent increase for the institutions of higher learning. I don't think anybody should complain about their being under-funded."

The Budget Commission had recommended only $96.3 million for the College Board in the fiscal year beginning July 1, but higher education forces mustered their strength and talked of tuition increases unless the figure were increased. Lawmakers, who agreed that more money should be provided, were rankled by the campaign and, in an unusual move, inserted a provision into the appropriation banning tuition increases for in-state students. The provision originated in the Senate, where Senator Bill Burgin of Columbus, chairman of the Appropriations Committee, said his group was irked over the tuition talk at a news conference called by the board to drum up support for more funds. Deaton agreed, "I'm tired of them using it as a threat in campaigns for increased support."

Deviations from Formula Funding Questioned

Legislators were also irked to learn that the board's widely publicized formula for distributing money among the universities was subject to adjustments. The formula is based on the number of credit hours earned by students. In handling the appropriation in the Senate, Burgin thundered: "They told us they would follow the formula, and then went into their cloistered halls and by a political vote...they ignored it." He accused the board of giving special allocations to the University of Mississippi and Delta State, and of paying higher salaries at Mississippi State, Mississippi, and Southern Mississippi. As a result, the appropriation carried this language: "The (College Board) in allocating the funds herein appropriated to the various institutions of higher learning shall use the same student credit hour formula adopted by said board at the August 14, 1974, board meeting. Any deviation from said student credit hour formula or any additional monies allocated to any institution over and above that determined by the formula shall be justified by a detailed financial analysis of that institution." The report would be filed in the board office, with the Appropriations Committees, and with the Budget Commission.

Higher education also caused a major controversy during consideration of the annual capital construction bill. The House originally passed the measure at $44.5 million, with no money included for Phase II of the veterinary medicine school, a classroom-library-administration building. Phase I, the teaching hospital, was funded at $13.5 million a year ago. Deaton told the House that the university had advised only that day that it needed the Phase II money this year, so this year's freshman class would have the use of it one year, a prerequisite to accreditation. But the veterinary school forces spent an intensive night of lobbying, and the bill was recalled the next day for revision.

When the barriers fell, about $18 million in other projects was added: $4 million for a physical education center at the University of Mississippi;

$3.5 million for a stadium at Mississippi Valley State; $3.5 million for a marine education center at the research laboratory; $5 million for junior college construction; and lesser amounts for other work. The Senate revised the total even higher, and a conference committee was set up to negotiate the final form and keep it within available funds. It turned out to be $46.5 million, with most of the higher education items left out.

Burgin told the Senate, "It is our intention to speak to them first next year." The only major higher education item included was the $9.5 million for the veterinary medicine building. Lesser items included $131,000 for furnishings and equipment for a new chemistry building at Jackson State; $150,000 for furnishing and equipping a new physical education instruction building at Delta State; $500,000 for dressing facilities and rest room facilities in the athletic department at Alcorn; a like amount for Mississippi Valley State; $750,000 for land acquisition at Jackson State; and $250,000 for land acquisition at Mississippi University for Women (MUW). All projects will be financed with revenue sharing money. The bill also included $7.5 million in general and $1.5 million in revenue sharing funds for renovations and repairs at existing state buildings.

The College Board's general appropriation from regular tax money in the treasury included $81,229,138 for support of the universities; $4,659,710 for faculty and staff salary increases; $4.5 million for schools to catch up on equipment purchases; $1,472,800 to cover increased utility costs; $1 million to help Alcorn State and Mississippi Valley State obtain accreditation by the National Council for Accreditation for Teacher Education; $4,631,783 for various nurse training programs at the universities; $2.1 million for Gulf Coast Research Laboratory, a research facility of the board; $175,000 for matching federal Sea Grant funds; $2.7 million for off-campus resident and degree-granting branches; $2 million for library catch-up purchases; $950,000 to implement a desegregation compliance plan instituted earlier by the board; and $80,396 in lieu of interest on six old funds set up for the various schools but now non-existent.

The compliance plan money will go for such items as minority scholarships at traditionally black universities (Alcorn State, Jackson State, and Mississippi Valley State) and programs to encourage other-race faculty members at all universities.

Audit of Junior Colleges Ordered

The junior college appropriation was up $4.3 million from the current fiscal year and was responsible for extending the session, at least technically, for five days past the April 2 scheduled adjournment. The constitution prohibits passing money bills during the last five days of the session, and the junior college bill was among the last cleared before lawmakers left town April 1.

The bill was involved in a week-long stalemate over a House amendment to require an independent audit of the books at each school. The junior college presidents opposed it, claiming that no funds were allocated for the audits and that the money would come out of their operating budgets, but they met at the eleventh hour to consent to an audit when it became clear the House intended to secure a study of their finances. The deadlock ended after the legislature's PEER committee agreed to order an audit on its own initiative. Pressures for a fiscal study had increased since the committee, in a 1974 check, found several junior colleges had $8.4 million more than the Budget Commission realized. Several legislators said school opposition to the audit made neutral lawmakers wonder if the two-year schools were not hiding something.

The presidents' support of a private audit came too late to head off the check by the PEER committee, which uses its own staff members instead of accountants chosen by the schools. Representative Lonnie Smith of Picayune, who handled the compromise on the House floor, noted, "They held out so long they got exactly what they didn't want."

The House and Senate were never apart on the money for the junior colleges: $25,192,000 in general aid distributed on the basis of full-time students, $2,845,000 for the vocational-technical departments of the institutions, and $963,000 for their evening academic courses.

Among the minor money bills affecting higher education were measures providing $1.6 million for nursing scholarships, $225,000 to pay tuition for Mississippians in out-of-state institutions to get courses not available in the state, and $851,250 for the Southern Regional Education Board program to enable more than 150 Mississippi students to earn degrees in veterinary medicine, dentistry, optometry, and medicine in other Southern states.

Higher education was also affected by an omnibus pay bill fixing the salaries of many state officials. The executive secretary of the College Board was raised to $35,000 a year, and his administrative assistant was written into the law for the first time at $33,000.

The Senate considered a measure to abolish the University of Mississippi's special trustee on the College Board, placed on the board early this century under terms of a $20,000 trust set up for the school by the LaBauve estate. Many lawmakers call his presence unfair and unrealistic, but they decided to lay the bill aside after amending it to specify that the LaBauve trustee could vote on matters affecting only the one institution. The special trustee is supposed to vote only on "Ole Miss" affairs, but bill sponsors said he votes 95 percent of the time. And they said the $20,000 trust fund has long since disappeared.

Limited Sunset Law Passed

Although the legislature passed a sunset law requiring agencies to justify their existence periodically or face elimination, it included only a limited

number of governmental units to start the program. The College Board was not one of these. Sunset backers in the House said they wanted to see how it worked with professional regulatory boards, executive order agencies, and a handful of others before applying it to the more important units of government.

In terms of appropriations the College Board staff advised that the final form of the budget bill would provide $21,797,011 to Mississippi State, including $1,129,613 for salary increases; Southern Mississippi $19,171,453, including $965,553 for salaries; Mississippi $17,712,001, including $972,783 for salaries; Jackson State $11,250,735, including $560,038 for salaries; Delta State $6,195,794, including $290,849 for salaries; Alcorn State $5,602,412, including $231,457 for salaries; Mississippi Valley State $5,571,178, including $229,903 for salaries. MUW schools will have ample funds for salary raises of 5 percent or more, comparable to those of other state employees at comparable pay levels.

There were a number of other major money allocations in addition to the College Board's general support bill, and in most of these, too, the recipients will have tuition and fee income plus federal money to supplement the general fund tax money they receive. The junior colleges got $29 million in operating aid from the state. The University of Mississippi medical school got $13.3 million, its teaching hospital $9.1 million, its dental school $4.2 million, its nursing school $1.5 million, and its school of health-related professions $939,194. The veterinary medical school at Mississippi State got $2,530,796.

MARYLAND David Lightman, Baltimore Evening Sun

"...most of higher education's 1978 gains came from the state budget."

ANNAPOLIS, April 24--Maryland's General Assembly had a whopping $128 million budget surplus in this election year, and it made sure that there was something for every aspect of government in the budget, including something for taxpayers in terms of a sizeable tax reduction. The workmanlike, relatively emotion-free legislative session made property tax reform its top priority. A week before its April 10 adjournment, Assembly leaders and Acting Governor Blair Lee III finished successfully guiding a $77 million property tax relief package through the legislature with no major opposition. In addition, senators and delegates enacted bills reinstating Maryland's death penalty, re-establishing the right of Medicaid recipients to get state-funded abortions in certain liberally-defined instances, and tightening Maryland's political corruption laws.

The session was the first since 1968 not dominated by Governor Marvin Mandel, who was suspended from office after his sentencing October 7, 1977, on federal corruption charges. Thus, there was strong leadership from both the executive and legislative branches of government this year. Together, the two forces compiled a record of achievement unmatched here in recent years.

An impetus for innovation was supplied by the surplus. Higher than anticipated revenue from the 1977 one-cent sales tax increase, plus much higher than expected receipts from the state's daily lottery, created the bulging treasury.

Public education in general did well this year. The aid to public schools formula was changed so that local governments will get $690 per student from the state after July 1. Current benefit is $624 per student. The change should add about $30.2 million to local education budgets in fiscal 1979.

The legislature also tried to bolster the quality of education in Maryland by quietly enacting a bill to require that a national standardized test be given to all children in grades 3, 5, 7, and 9. The measure was a reaction to the state Department of Education's announcement that it would eliminate such exams as the Iowa Basic Skills Test to ninth graders this year. Instead, the department wanted to give a special functional reading exam and, ultimately, a special functional math exam.

There was one major innovation in the area of higher education, a new scholarship program earmarked exclusively for intelligent students. Otherwise, most of higher education's 1978 gains came from the state budget. Acting Governor Lee's $4.3 billion operating budget represented an 11 percent increase over last year's. Higher education programs generally received smaller hikes, but enough money was provided to stave off most tuition increases at public

colleges and universities next year and to begin significant construction programs at several schools.

Campus Construction Projects Approved

The legislature opened its pursestrings widest to the University of Maryland when construction money was involved. The Assembly authorized a total of $78.3 million in capital improvements. The University of Maryland, whose four campuses are expected to experience an enrollment drop of 1,053 to 39,856 next year, got $24 million of those funds. Among the new projects will be a new library for the downtown Baltimore law school, alterations and additions to the College Park campus's math building, and an addition to Academic Building I at the Catonsville campus in suburban Baltimore.

Operating budgets for the university system will go up 8.3 percent to $378.2 million. The most notable increase was about $2.5 million to assure that there will be no in-state tuition increases, except at professional schools.

A total of 368 new positions will be created at the university campuses in fiscal 1979. These include 31 new instructional jobs in the dentistry, medical, nursing, pharmacy, and other health fields. Another 15 positions at the Catonsville and Eastern Shore campuses "are recommended for academic program support in order to improve the attractiveness of their programs to prospective students," Acting Governor Lee said in his January budget message. Another 233 positions in the university system will be used to continue services provided primarily by part-time faculty and staff.

Another $4.3 million will be used to pay for the university's share of the state pay raise. Like other state employees, university personnel will get a 3 percent salary boost and the equivalent of a 2 percent increase in health benefits.

Aid to State Colleges and Universities

Maryland's eight other four-year colleges and universities, including Towson State University, Morgan State University, University of Baltimore, Salisbury State College, Frostburg State College, Coppin State College, Bowie State College, and St. Mary's College, will receive $121.8 million in fiscal 1979 from the state. This represents a 6.6 percent increase over current fiscal year spending.

Much of the new money will go to Morgan State, which is expanding as it undergoes the transition from college to university status. Morgan's budget will increase 11.1 percent next year, to $26 million. Although enrollment is expected to remain stable at the northeast Baltimore school, there will be 42 new positions there to "accelerate the program of institutional and student improvement," Mr. Lee said in his budget message.

Other public colleges and universities are expected to experience enrollment increases of 1.6 percent. Among the fiscal 1979 budget highlights at these schools:

+++$800,000 for Morgan State's graduate program;

+++$11.9 million for construction (projects will include a maintenance/ warehouse at Salisbury State, and alterations and additions to Bowie State's dining hall);

+++$339,000 to prevent tuition increases for in-state students;

+++$309,000 for minority programs and grants;

+++$200,000 for salary adjustments and upgradings at the University of Baltimore;

+++$37,105 for a new respiratory therapy program at Towson State.

Other Higher Education Aid

Maryland's two-year community colleges will get $48.2 million in state money next year, up 5 percent from fiscal 1978. The colleges, 50 percent of whose operating expenses are paid by the state, expect only a 2,000-student increase in enrollment. Current enrollment is about 56,000.

Other features of the fiscal 1979 higher education budget:

+++As approved in the 1977 session, state aid to non-public colleges per full-time-equivalent (FTE) student will go up to 17.5 percent of the average per FTE expenditure at public colleges in fiscal 1979. The current level is 15 percent. The change should mean an additional $2 million in state aid.

+++A total of $6.2 million was budgeted for state scholarship aid, 5.7 percent more than was to be distributed this year.

+++The administration of interstate educational compacts will be transferred from the University of Maryland to the State Board for Higher Education. A total of $1 million was budgeted for 203 compact slots in fields such as veterinary medicine and optometry in fiscal 1979. This is 24 more than in the current year.

The State Board's overall fiscal 1979 budget will be $9.3 million, up from this year's $6.5 million, primarily because of the above two changes. The board was established in 1976 to oversee and coordinate the growth and development of higher education in Maryland.

Relevant Legislative Successes and Failures

The biggest innovation adopted by the legislature in the field of higher education concerned a different kind of scholarship program. It will give 100 of Maryland's best students annual $500 grants if they attend college in the state. The State Scholarship Board would offer the grants to 100 Maryland high school seniors demonstrating what the legislation called "the greatest potential for achieving academic excellence." One indication of that potential would be a 3.7 high school average.

Also adopted was a resolution calling for yet another study of whether the state should establish a veterinary medicine school. This resolution's passage was a defeat of sorts, however, since the school's proponents were pushing another measure. That bill, which did receive Senate approval, would have led to the actual construction of a joint Maryland-Virginia school in Maryland. But it was scuttled by what has become a perennial battle over whether such a school is needed.

Another defeat could be considered a victory for educators. The Maryland State Teachers Association, which represents public school instructors, battled against a proposed revision of the state's pension law. The pension proposal was the result of four years of study and was pushed hard by legislative and executive branch officials. But the teachers' union clout was too much, and the measure fell woefully short of passage. Proponents of the reform argued that under the current system, the state was facing a $1 billion contribution to the system in fifty years. Currently, the state contributes $149 million. But opponents argued the reforms would cut employee benefits substantially.

Looking Ahead

While higher education issues remained consistently in the background this year, there were signs the spotlight would be back shortly. During the legislature's ninety days of deliberation, the University of Maryland made important moves outside Annapolis. It hired Dr. John Toll as its first new president since 1954. The College Park campus was also targeted for change in a State Board for Higher Education study recommending that it become primarily a school for graduate work and for upper level undergraduates.

Only a week after the session ended, the University again made news with the announcement that it was considering offering its political science department chairmanship to a Marxist. While saying he does not like to get involved in academic affairs, Acting Governor Lee nevertheless worried openly how the 1979 legislature would react to such a hiring.

TENNESSEE Fred Travis, Nashville Correspondent, The Chattanooga Times

"That constitutional amendment limits the annual increase in state expenditures to the same level as the growth of the Tennessee economy."

NASHVILLE, May 4--Legislative financial support for public higher education continued comparatively strong in the Tennessee General Assembly, and two developments this year may open the way for the state's private colleges and universities to win greater financial support from the public treasury. One is a constitutional amendment, ratified March 7, which for the first time in Tennessee history permits spending tax dollars on private institutions of higher education.

The other is a law, enacted over Governor Ray Blanton's veto, directing the Tennessee Higher Education Commission to take into consideration the availability of educational programs in private institutions before authorizing initiation of similar programs in public institutions. It also authorizes the commission to contract with private institutions for educational services.

Increases for Higher Education Outpace General Spending

As for appropriations, higher education fared well in the Tennessee legislature's 1978 session. The public colleges and universities received, on average, 5 percent less than had been recommended by the Higher Education Commission but 13.4 percent more than was appropriated to the educational institutions for the current fiscal year.

This compared with a 7.6 percent overall increase in state expenditures, including federal funds, and a 9.6 percent increase in general fund appropriations. In Tennessee all state services except debt service, debt retirement, and road construction and maintenance are financed from the general fund.

The total appropriation for higher education for the fiscal year starting July 1 is $270.1 million, an increase of $31.9 million over the estimated expenditures during the current fiscal year.

Funding for Veterinary and Health Schools Increased

A total of $194.1 million is provided for so-called formula institutions or higher education programs for which monetary allocations are based upon enrollment and cost of educational services as determined under a formula established by the Tennessee Higher Education Commission.

Non-formula operations include such things as the University of Tennessee Center for Health Sciences, Memphis, for which the appropriation of $25.3 million represents an increase of 7 percent over the current fiscal year;

the new medical school at East Tennessee State University, Johnson City, for which the $3.2 million appropriation is an increase of 31 percent; and the new University of Tennessee veterinary medical school for which a $4 million appropriation represents a 59 percent increase. The veterinary medical school allocation provides funding for the anticipated 180 students to be enrolled this fall; by the fall of 1980, the school is expected to have reached full class size of 240 students.

The increased appropriations contemplate an average 7.5 percent pay increase for all employees of state colleges and universities. However, the legislature specified that employees receiving less than $8,000 a year must be given a minimum 7.5 percent raise, and those earning more than $22,000 shall not be increased more than an average 6.5 percent.

Within those limits, the UT Board of Trustees and the state Board of Regents for the regional universities and community colleges are empowered to apportion the money available for higher salaries.

Among items included in the state's general appropriations bill for fiscal year 1979 were $68,000 to contract with the Southern Regional Education Board for 16 additional spaces at Meharry Medical College, Nashville; $20,000 to the Higher Education Commission for a study of the state's vocational technical institutes with a view to the possibility of making them a part of the higher education system; and $4.2 million, or a 54 percent increase, for financial assistance to students.

In addition to money for operations, the legislature authorized $49.8 million for capital improvements at state colleges and universities. Among major items are $10 million for a physical education complex at the UT Chattanooga campus, $7.4 million for a hospital at the UT Center for the Health Sciences, $3.3 million for an agricultural engineering building at UT-Knoxville, and $9.1 million for fine arts facilities at Tennessee Technological University, Cookeville, and Memphis State University.

State Spending Limit Put in Constitution

Revision of the state constitution's education section is one of two constitutional amendments which may affect higher education in Tennessee. The other is an attempt to place a limit upon the growth of state spending.

That constitutional amendment limits the annual increase in state expenditures to the same level as the growth of the Tennessee economy. Exactly how this will work isn't known yet, since the means of determining the state's economic growth was left to the legislature, which didn't do anything about it. For the 1979 fiscal year, the legislature adopted as a measure of economic growth the projection made by the University of Tennessee.

There is uncertainty about the validity of the amendment, since some provisions included in it appear to go beyond the call for the 1977 limited

constitutional convention which drafted it. This is an issue which may require resolution by the state supreme court some time in the future.

The same is true of the amendment rewriting the education section in such a way as to permit use of tax dollars to support private higher education. Under the call, the convention was authorized to consider only removal of a requirement that public schools be racially segregated.

Amendment Permits State Aid to Private Institutions

But the convention also deleted a provision requiring the state to maintain a "common school fund," something which hasn't been done for at least half a century, and refashioned the portion authorizing public education. Included was this sentence: "The general assembly may establish and support such post-secondary educational institutions, including public institutions of higher learning, as it determines." [The debate in the constitutional convention made it clear that the framers intended this amendment to open the way for state assistance to private postsecondary institutions, despite the fact that they were not specifically mentioned in the provision.]

This broad authorization caused critics of the amendment to predict the legislature will become a cockpit for competing lobbyists seeking state appropriations for public and private institutions of higher learning. They argued, too, that it would breach the wall separating church and state by allowing tax dollars to flow into church-sponsored colleges and universities.

Ratification of the amendment came too late for it to have an effect on educational appropriations and policies adopted by the Tennessee legislature this year. So it will be at least the spring of 1979 before the validity of the gloomy forecasts by critics can be tested.

Commission to Consider Private Programs in Planning

Of more immediate significance was the decision by the House and Senate to override Governor Blanton's veto of a bill directing the Higher Education Commission to consider programs available in private institutions before authorizing similar programs in public colleges and universities.

The bill passed the House last year but languished in the Senate, where little effort was made to promote its enactment. In February, however, Senator William D. Baird, D-Lebanon, a champion of private schools, urged the Senate to pass it as a means of curtailing the growing cost of public institutions of higher learning.

Governor Blanton's veto was based on the existing authority of the UT Board and the state Board of Regents to contract with private colleges and universities for educational services. He said authorizing the Higher Education Commission to do so was unnecessary.

His return of the bill to the House with his veto message touched off a lobbying contest between representatives of the public and private schools. Opponents of the proposal said it would mean the Higher Education Commission would favor private schools at the expense of the state-supported institutions.

Advocates renewed their promise of economies to result from contracting for educational services rather than initiating new programs in public institutions. They also denounced lobbying efforts by the public colleges and universities.

After one failure, the House overrode the veto and the Senate quickly followed suit. To override a veto in Tennessee requires a constitutional majority in each house--50 of the 99 votes in the House, 17 of the 33 in the Senate. This is the same number of votes required to pass the bill the first time.

Though the law now is in effect, it isn't expected to have a substantial impact on higher education in Tennessee immediately. The long-range implications will depend upon its use by the Higher Education Commission.

As usual, the 1978 session of the legislature was notable for things not done in the field of higher education.

Sex Discrimination to Be Studied

A bill was introduced to authorize public colleges and universities to expend the necessary funds to equalize salaries so as to end sex discrimination among employees and faculty members. No serious effort was made to get the proposal out of the education committee of either house. The House adopted a resolution "requesting" the Higher Education Commission to study sex discrimination in the UT and Board of Regents systems.

However, the legislature empowered the state's Human Development Commission to seek court orders prohibiting discrimination because of race, sex, color, religion, or national origin. Previously the commission had been limited to advice and persuasion.

Another bill which fell by the wayside would have authorized the Higher Education Commission to negotiate with Kentucky a reciprocal agreement for exchange of students. It failed in the Senate and died with adjournment of the legislature in May. Sponsors had advocated the law as a pilot project to explore the possibility of reciprocal agreements with other states.

Last year's effort to force graduates of the UT medical school or Tennessee students whose medical education was financed by the state to practice in Tennessee for a specific period of time wasn't renewed. Instead, the legislature settled for a joint resolution directing the Higher Education Commission to study programs designed to encourage physicians to practice medicine in physician-short areas of Tennessee.

FLORIDA Mary Ann Lindley, New York Times Florida Newspapers

"...after years of simply staying abreast with increased enrollment and inflation, 1978 saw the legislature make a commitment to improving the quality of higher education."

TALLAHASSEE, June 7--The 1978 Florida legislature left higher education officials in good spirits. They received a larger share of the overall state budget than ever before, and there were no new taxes imposed to make it possible. "This is the first year there hasn't been an effort to cut the state university system budget," said Chancellor E. T. York. "No one has been out to get us this year. In fact it's been one of the most positive legislative sessions we've ever experienced."

Because it was an election year, one-half of the 40-member Senate and the entire 120-member House are up for election this fall; consequently, legislators were at once cautious about controversial votes, determined not to raise taxes, and eager to bring home local bills. The leisurely 60-day session changed character only in the final week when Governor Reubin Askew called the legislature into special session on June 7-9 to deal with a pressing legal issue concerning the state's rights to its sovereign lands and a number of other non-educational issues. The sovereign lands issue had cropped up late in the session and was stalled in last-minute bickering over pet bills in each chamber.

Casting a further shadow over the capitol this session was the knowledge that the outgoing Senate president and House speaker were fighting to hang on to power already shifting to incoming leaders. Furthermore, after eight years, when Governor Askew could have been a lame duck, the legislature instead found him playing the hard-ball politics not taken lightly by older members who have seen him go over their heads to the people on issues about which he cares deeply.

Finally, the work of the Constitution Revision Commission, called into being once every 20 years, caused consternation among some legislators, since it proposed 89 changes to the state charter. Many of the proposals deal with subjects lawmakers feel rightly belong in the lawbooks, not in the Constitution, and so frequent efforts were made to offset the Commission's work. None succeeded.

Allocations to Improve Quality

Chancellor York, whose political acumen guided him to the home districts of every member of the legislature in the last year, enjoyed good relations with the members who provided approximately $670 million for higher education, including an increase of more than 12 percent in general revenue. The overall

1978-79 state budget is $6.15 billion, a figure which is $517 million more than this year's state budget.

Higher education received:

+++A $58.7 million increase over the current year's overall operating budget, excluding contracts and grants, but including operating funds for the Institute of Food and Agricultural Sciences, the University of Florida's Shands Teaching Hospital, and the University of South Florida Medical Center.

+++A $38.7 million increase over the current year's education and general budget.

+++A $21.7 million increase in fixed capital outlay money allocated from the utilities gross receipts tax.

But more significant in higher education funding is that after years of simply staying abreast with increased enrollment and inflation, 1978 saw the legislature make a commitment to improving the quality of higher education. Enrollment is leveling off in the university system for the second year in a row, with only a two percent increase projected for next year.

The legislature reaffirmed its commitment to excellence by granting a $10 million allocation for new library books, (the second year of a $50 million, five-year library improvement program started in 1977); $5 million was added for laboratory materials, particularly for scientific equipment; and a $2 million allocation was made to develop centers of program excellence on each of the nine university campuses, a proposal that received a high priority from the Board of Regents (BOR).

Governor Askew urged the legislature to grant this money as a way of attracting outstanding educators through improved salaries, and thereby achieving programs of national prominence.

The University of Florida, for example, will concentrate on its engineering program; Florida A&M University will emphasize architecture; Florida State University's money will go to its policy sciences department--economics, political science and sociology.

Overall, the universities got $20 million in special enrichment funds, money which will also pay for 200 additional positions statewide to serve needs not related to inflation or enrollment increases; $363,000 more for the State University System solar energy program; $60,000 to enable the UF Whitney Marine Biology Research Laboratory to accept outside gifts and grants; $50,000 to set up a Center for Study of Employee Relations at Florida State University.

Faculty Salaries and Collective Bargaining

Dr. York said the biggest disappointment was "our failure to get a greater increase in faculty salaries." The faculty union and Board of Regents reached an impasse in salary negotiations which meant the legislature had to resolve the dispute. Consequently, the legislature granted to faculty and university personnel the same 6 percent increase it is giving other state employees, instead of the 8 percent the union wanted.

The union was requesting a 7.5 percent across-the-board pay raise, plus .5 percent for discretionary pay raises. The Regents offered a 6 percent hike, with 4 percent across-the-board and 2 percent for merit increases.

The legislature provided for a split of 3 percent across-the-board and 3 percent for merit increases for 5,000 members of the bargaining unit and 6 percent discretionary raises for 3,000 employees outside, Dr. York said.

"The union also wanted us to allow a certain number of faculty members 'release' time to devote to grievances, to work as union stewards," Chancellor York said. "We agreed at the table prior to impasse to allow a limited number of these, but when the legislature resolved it, they specifically prohibited that."

The legislature authorized, but granted no money, for the creation of industrial research parks in areas near state universities so that scholars on campus can participate in the state's new thrust toward economic development. Through the Florida Research and Development Commission, established under the bill, local authorities can be set up and empowered to operate industrial research parks and to seek contracts and grants from business and industry.

A bill of a more technical nature, but nonetheless important to UF's Shands Teaching Hospital, permits a trust fund to be established out of surplus patient fees and other unencumbered state funds for capital construction. First on the drawing board is a $40 million patient services building.

Regents to Have Voting Student Member

There were many educational policy questions discussed by the legislature, but only a few were passed into law. The governor is expected this year to sign the bill which enables the student member of the Board of Regents to vote. Last year student membership was permitted, but without voting rights.

The legislature also adjusted the system's fee schedule so a student-operated activity and service fund can now concentrate on projects of its choosing, particularly the improvement of women's athletic programs.

"Men's athletic programs are essentially self supporting, and need little general revenue money," Chancellor York said. "We think women's athletics ought not be funded by general revenue, but this is a way to get them some extra money."

Chancellor York said the legislature made an attempt to prohibit student associations from paying honoraria to radicals who advocate the overthrow of the government, Communism, anti-Semitism, socialism, homosexuality or pornography.

"This was the legislature's only real attempt to restrict academic freedom," said Dr. York, "but these moves were defeated rather strongly."

The legislature refused to accept Representative George Sheldon's, D-Tampa, effort to provide students with reasons for their denial to graduate schools, but the Regents are in the process of working out an appeals procedure for students who feel they were unfairly turned down. The change will be made by BOR rule, rather than law, Dr. York said.

The legislature did pass a bill setting up a personnel exchange program between the universities and private business so that fresh ideas can be exchanged between the classroom and corporate world. Another bill which was passed waives undergraduate tuition for dependents of law enforcement personnel killed in the line of duty.

Graduate Program Distribution Debated

But bills which caused the most debate were ones which did not pass this year. Senator Jack Gordon, D-Miami Beach, stirred representatives of the two largest universities, FSU and UF, when he proposed a study be made to see which graduate programs at those two schools could be transferred elsewhere in the system. Senator Gordon said newer universities in the state's large urban areas should have some of the graduate programs now offered at FSU and UF, both of which are located in small-town, sparsely populated areas.

Senator Gordon also tried, and failed, to have only faculty members who teach 50 percent of the time get a one percent salary bonus. But librarians, health center employees and others who aren't actually in the classroom objected loudly enough to be heard.

Senator Curtis Peterson, D-Lakeland, the Senate's Education Committee chairman, tried again this year to eliminate the six hours per quarter of free courses which university employees are now offered. Senator Peterson said it was a bonus not afforded other career service state employees.

Senator Betty Castor, D-Tampa, attempted to win legislative approval to provide free courses on a space available basis to Florida residents aged 60 or older, but her bill was killed in committee. Another bill which would have set up a data bank on older Floridians through the university system was defeated. It was planned to gather information on the health, education, economics, and social aspects of the elderly to help the state in making policy affecting them.

Two efforts were made to change the use of student evaluations of teachers, but neither attempt was successful. One would have made the evaluations available for public inspection; another would have required the universities to show a demonstrable relationship between faculty promotions and student evaluations.

NORTH CAROLINA Daniel C. Hoover, The Raleigh News and Observer

"...there was little doubt that the major bricks-and-mortar allocation for a veterinary school would be approved."

RALEIGH, June 30--With uncharacteristic smoothness for such an issue, the North Carolina General Assembly voted in its 1978 session to build a school of veterinary medicine at North Carolina State University (NCSU). In sharp contrast to the political-philosophical contest that raged for a decade over whether East Carolina University should have a medical school, the veterinary school's $7.3 million allocation was approved with barely a whimper.

The appropriation was part of a $288.7 million supplemental budget bill involving mostly surplus funds from the 1977-78 budget. The balance of the session's budgetary work involved minor so-called "fine tuning" of the 1977-79 budget bills.

Among the major new allocations were:

+++Six percent pay raise for state employees, including those in the university and community colleges systems, $116 million. (This pay raise is in addition to merit and longevity pay increases.)

+++Capital improvements for the university system, $40.5 million, including the veterinary school appropriation.

+++Expansion of the university system's educational television network by improving its signals to all sections of the state, $5.8 million.

+++Upgrading predominently black institutions of higher education, in accordance with an agreement with the U.S. Department of Health, Education, and Welfare, $12.4 million.

Legislators also found enough money to build themselves a new $8.5 million office building and for increasing their salaries from $4,800 to $6,000 a year.

Other than a bill exempting student loans from state income tax requirements, few bills vitally affecting higher education were left from the 1977 session. Overall, the assembly appropriated $380.2 million in operating funds for the 16-campus university system for 1978-79, compared to $352.4 million for 1977-78.

The Community Colleges System was allocated $139.2 million in General Fund operating money for 1978-79, compared to $113.7 million for the previous fiscal year. Among the budgetary casualties was a request for $7.5 million for construction projects at community colleges.

Vet School Gets "Bricks-and-Mortar" Allocation

Governor James B. Hunt, Jr., an NCSU alumnus with a background in law, agriculture and economics, gave his strong support to funding the veterinary medical school and with a hefty pro-administration working majority in the 170-member legislature, there was little doubt that the major bricks-and-mortar allocation for a veterinary school would be approved.

Coming on top of an earlier $2.5 million planning allocation, the $7.3 million will allow NCSU to begin with architectural planning and site preparation. It is expected that the 1979 legislature will be asked for $20 million more for construction. A 1981 target date has been set for opening the new facility.

Opponents had contended that the school was too expensive and the market inadequate for prospective students. They said the eventual $35 million price tag and $5 million annual operating costs were unjustified in the face of more pressing needs. They cited a Southern Regional Education Board study which noted that there is "good expectation that within the 1980s the national goals of an adequate supply of veterinarians...will be met through existing schools."

The major floor fights of the session centered around a local option liquor-by-the-drink bill that had been passed by the Senate in 1977 and a bill requiring mandatory three-day jail sentences for persons convicted of second and third drunken driving offenses.

Both bills passed, although it required some deft parliamentary and backroom maneuvering by mixed drink supporters to revive their bill after it had been initially voted down by the House.

Black Institutions Receive Increased Funding

The $12.4 million for the five largely black state-supported universities will enable North Carolina officials to begin implementing an agreement with HEW for a five-year program aimed at desegregating the university system further.

Of that figure, $10.3 million was for construction projects, including $1.5 million for a science building and administration building annex at Fayetteville State; $570,000 for an Early Childhood Development Center at Elizabeth City State; $3 million for a new administration building at North Carolina A&T; $2.5 million for a health science building at North Carolina Central; and $2.4 million for a nursing school building at Winston-Salem State.

University of North Carolina System current operations appropriations included:

+++General administration for the system, $4.926 million.

+++University of North Carolina (UNC) at Chapel Hill, $80.89 million, including $42.03 million for academic affairs; $28.15 million for health affairs; and $10.71 million for area health education centers.

+++North Carolina State University, $65.57 million, including $43.27 million for academic affairs and $22.3 million for agricultural experiment stations and extension programs.

+++UNC at Greensboro, $17.33 million.

+++UNC at Charlotte, $14.17 million, (It also received a $6.9 capital appropriation for construction of a new classroom building.)

+++UNC at Asheville, $3.1 million.

+++UNC at Wilmington, $6.16 million.

+++East Carolina University, $22.89 million.

+++North Carolina A&T, $10.25 million.

+++Western Carolina University, $11.1 million.

+++Appalachian State, $14.89 million.

+++Pembroke State, $3.89 million.

+++Winston-Salem State, $4.6 million.

+++Elizabeth City State, $3.6 million.

+++Fayetteville State, $4.3 million.

+++North Carolina Central, $8.94 million.

+++North Carolina School of the Arts, $2.2 million.

+++North Carolina Memorial Hospital, $17.98 million.

LOUISIANA Edwin W. Price, Jr., Managing Editor, Baton Rouge Morning Advocate

"The legislature turned down...a pay raise for university faculty, but the LSU Board of Supervisors voted to increase fees...tied directly to a five percent cost-of-living increase for its faculty."

BATON ROUGE, July 28--Louisiana's legislature smiled more bountifully on higher education in 1978, voting $44 million additional in state appropriations compared to a $25.2 million increase the year before. Overall, the legislature increased state spending from $3.4 to $3.7 billion, a nine percent increase. That compares with the 18 percent increase voted for higher education. The higher education increase this year compares to a 12 percent boost a year ago. Of the new money provided directly from the state's general fund, almost $20 million went to the medical, agricultural and law centers at Louisiana State University, with the remaining $24 million spread among all the universities of the state, including LSU's undergraduate program.

Despite a strong but unsuccessful effort by LSU, the largest university in the state, funding for universities was calculated, as in the past several years, on an enrollment-based formula. LSU supporters in the legislature sought additional research and development funds with the arguments LSU should be the major university and such programs go undeveloped under a straight formula basis. The effort failed.

The bottom line on higher education fund allocations is $283.8 million in state general funds, up $44 million. From all sources, the state's universities will have $376.4 million available in the 1978-79 fiscal year.

Also authorized by the legislature was the issuance of bonds which could provide substantial capital improvements at the universities. However, actual issuance must be approved by the State Bond Commission, and it is obvious that many of the projects exist on paper only.

The legislature turned down a bill to appropriate funds for a pay raise for university faculty, but the LSU Board of Supervisors voted to increase fees at all campuses tied directly to a five percent cost-of-living increase for its faculty. This fee increase means $50 a semester more for undergraduate students and $100 and up for graduate, law and medical students. The legislature approved a $1,500 across-the-board increase for faculty in 1977.

Medical Student Loan Forgiveness Program Vetoed

A proposal to guarantee loans of up to $20,000 for medical students who sign contracts to practice in small Louisiana communities passed, but was vetoed by the governor who questioned whether it was constitutional. The proposal

would have permitted loans to be written off at the rate of one-fifth for each year of practice in communities of 15,000 population or less.

Legislators from university areas whose institutions have had programs eliminated or curtailed by Board of Regents' rulings sought legislation to require hearings on affected campuses prior to any such change. The measure failed to pass but was debated extensively on the House floor and returned to the calendar after assurances that Regents would be careful to get testimony from everyone concerned prior to issuing an order.

The regents have cracked down on several doctoral programs, ordering elimination of some. At Northeastern State University, curtailing the doctoral program in education created a major controversy, but the state attorney general concurred that persons already enrolled in the program--including a complaining state legislator--could continue and be awarded degrees. He did uphold the board's authority to rule on such programs.

A major capital outlay project, a new Greater New Orleans Area Assembly Center to be financed by $24 million in state general funds, generated controversy over joint management by University of New Orleans, Southern in New Orleans, and Delgado. A bill to establish a board for management died, but a compromise agreement between the administration and warring New Orleans factions apparently will create a joint management system agreeable to all.

Scholarship Commission Revamped

A new Governor's Special Commission on Education Services to screen and award scholarships was established in the governor's office, transferring functions of the T. H. Harris Scholarship Foundation and Louisiana Higher Education Assistance Commission to the new commission.

A successful administration measure to reduce the quorum required for meetings of the LSU Board of Supervisors was amended to require that the 11-member quorum be continued, but provided that official actions require the vote of only seven members.

Several educational issues were raised during the session, but the legislature killed or declined to act on most of them. In many cases, action was postponed and it was suggested that the issues be subjects for interim study by standing committees of the legislature, a familiar approach from the past.

Lawmakers either overlooked or failed to mention that little in the way of recommended legislation reached the floor from interim studies ordered the previous year in lieu of actual legislation on many issues and particularly higher education.

A resolution to urge all higher education governing boards to cooperate in forming a committee to seek testamentary gifts and other donations was approved, as well as one authorizing establishment of economic geography programs.

A Number of Education Bills Failed

Limitation on expenditures for college athletic programs to the 1977-78 level was added to the language of the general appropriation bill, but was soundly beaten on the House floor.

Legislators also defeated a proposal to eliminate their free tickets to college athletic events, a practice which costs the higher education budgets an estimated $500,000. A resolution to stop the practice died a quick and violent death in a Senate committee.

Among proposals which failed during the 1978 session were bills to:

+++Establish a chiropractic scholarship program.

+++Increase guarantees on loans to graduate students.

+++Exempt American Indians from tuition fees.

+++Establish a uniform tenure system.

+++Create the office of coordinator of campus police.

+++Set up an income tax exemption program for parents of college students.

Here's a breakdown on state spending on higher education, including increases approved over the previous year and the funds available to each institution from all sources.

(Expressed in millions of dollars)

	From General Fund	Increase Over 1977-78	Total All Sources, 1978-79
LSU at Baton Rouge	$ 46.1	$ 3.9	$ 65.3
University of New Orleans	16.5	1.9	23.3
LSU at Shreveport	3.7	.4	4.7
LSU at Alexandria	2.7	.2	3.2
LSU at Eunice	1.6	.3	1.9
Medical Center	48.9	---	68.1
Agriculture Center	33.6	---	38.7

(Expressed in millions of dollars)

	From General Fund	Increase Over 1977-78	Total All Sources, 1978-79
Law Center	$ 3.0	$ ---	$ 3.7
Board of Supervisors	1.6	---	1.6
Total Entire LSU System	157.7	27.6	210.5
Southern at Baton Rouge	15.6	2.6	20.3
Southern at New Orleans	4.0	.5	5.2
Southern at Shreveport	1.5	.2	1.7
Other Areas (Board of Supervisors)	.7	---	.7
Total Entire Southern System	21.8	3.3	27.9
Southwestern	18.7	3.0	25.4
Northeast	14.1	1.7	17.7
Louisiana Tech	13.8	2.0	20.3
Northwestern	10.6	.8	12.1
Southeastern	10.4	1.5	13.7
Nicholls	9.5	1.3	11.9
McNeese	8.5	.3	10.9
Grambling	7.5	1.2	10.0
Delgado	7.2	.8	10.4
Other Areas (Board of Supervisors)	.6	.1	.6
Total Entire Trustees System	100.9	12.7	134.0
Board of Regents (All Three Systems)	3.4	.4	4.0
TOTAL (All Three Systems)	$283.8	$44.0	$376.4

ALABAMA Bob Lowry, United Press International

"...a property tax relief package proposed by Governor Wallace was foremost in the minds of the election-conscious legislators...."

MONTGOMERY, August 4--It took a tense, five-day special session and some election-year pressure from Governor George C. Wallace, but the Alabama legislature responded by passing the state's first $1 billion-plus education budget and handing higher education a 21 percent increase in operations and maintenance funds. Even though the special session was dominated by the property tax issue, the legislature put aside its differences from the earlier regular session and approved $59 million in construction funds for four-year schools, and a private school tuition grant program.

The education budget totaled $1.17 billion and spending for higher education in the new fiscal year increased from $199.9 million to $242.6 million. Nearly half of the budget, $556.5 million, will go for elementary and secondary education.

The budget was approved with a $6.5 million deficit, but state budget officials believe revenue growth will wipe out the deficit.

The legislature approved a 20-year, $220 million school bond issue to finance capital improvements. The lion's share, $114.7 million, will go to the secondary and elementary sector.

Four-year colleges and universities will get $59 million; junior colleges and trade schools, $27.5 million; "special and critical needs" at all levels of education, $16.2 million, and fire-damaged schools, $2.8 million.

The legislature rejected an alternate proposal to use education funds directly to finance a $250 million building program and opted instead for the bond financing--the plan pushed by Governor Wallace.

Private College Tuition Grant Program Begun

The tuition grant program passed with surprising ease since it had fallen victim in earlier sessions to Senate filibusters spurred on by the Alabama Education Association (AEA), the state's teacher lobby.

A $600-a-year grant program for students at 13 private colleges had been considered in previous years, but the legislature finally compromised on a $300-a-year grant. It will cost the state about $3 million in the first year and will be administered by the Alabama Commission on Higher Education.

The fate of the program is still in doubt, though, because the AEA immediately filed a lawsuit challenging the constitutionality of the act.

The AEA says the House of Representatives failed to give the bill a two-thirds vote as required under the state constitution when appropriating public funds to private schools. It also claims a violation of the doctrine of separation of church and state.

"I can't understand men selling the uniqueness of their institutions for 30 pieces of silver," said AEA Executive Secretary Paul Hubbert. "It treats rich and poor alike and sets up 13 more lobbyists to harass you."

The legislature continued its tradition during the regular session of appropriating funds to five private schools. The five, including Tuskegee Institute, will receive a total of $2.7 million.

A cost-of-living pension increase for retired teachers was passed during the regular session, although it was strongly opposed by the director of the Retirement Systems of Alabama. The increases range from $30 to $60 a month.

Teachers Receive Seven Percent Pay Raise

Aside from the hefty increases in higher education spending, the new education budget provided annual pay raises of about seven percent for teachers in the elementary, secondary, junior college and trade school sections.

For the second straight year, the four-year schools were able to beat back attempts to earmark salary increases for college teachers--a move supported by the AEA. But it promises to remain an issue in future sessions.

The AEA prevailed on another front when it forced passage of an amendment to the budget requiring four-year institutions to include AEA and other union dues in payroll deductions.

While passage of an education budget was essential in the special session, a property tax relief package proposed by Governor Wallace was foremost in the minds of the election-conscious legislators who were meeting barely a month before the primary elections.

The legislature gave overwhelming approval to a series of bills that, subject to voter approval in a statewide referendum, would:

+++Lower the assessment ratio on home and farm property by one-third and on business and commercial property by 25 percent.

+++Limit property taxes payable on residential, farm and timberland to one percent, the same as California's Proposition 13.

+++Exempt those 65 and older from paying property taxes on their homes, and exempting from property taxes all business inventories, household furnishings and farm equipment.

The tax package was aimed at holding down projected tax increases under a federal court-ordered, statewide, property reappraisal program. No one is sure how the tax package will affect state finances, but the effect will be greater at the local level.

The legislature also passed a measure that could later put pressure on future legislators to divert funds from the education fund to the already financially-strapped general fund.

The act--also proposed by Governor Wallace--will divert to north Alabama counties 75 percent of the taxes the Tennessee Valley Authority pays the state in lieu of property taxes. It will eventually cost the state about one-fifth of its current general fund revenue.

Legislation that died during 1978 included bills that would have:

+++Provided job security for school support personnel after 12 months of employment.

+++Provided collective bargaining rights for all public employees, including teachers and school support workers.

+++Required high school graduates to be proficient in reading, writing and arithmetic.

+++Diverted $90 million over the next three years from education funds to the general fund.

Following is a summary of funding (operation and maintenance) for the 1978-79 fiscal year for each college and university in Alabama:

(Expressed in millions of dollars)

Institution	1977-78 State Appropriations	1978-79 State Appropriations	Percent Increase	Federal and Other Funds	Total Appropriations
Alabama at Tuscaloosa	$ 31.1	$ 38.9	25.0%	$ 37.7	$ 76.7
Alabama at Birmingham	47.7	59.9	25.5	136.0	195.9
Alabama at Huntsville	8.6	10.4	20.9	7.8	18.2
Alabama A&M University	6.9	8.3	20.2	20.2	18.6

(Expressed in millions of dollars)

Institution	1977-78 State Appropriations	1978-79 State Appropriations	Percent Increase	Federal and Other Funds	Total Appropriations
Alabama State University	$ 5.9	$ 7.3	23.7%	$ 10.1	$ 17.4
Auburn University	44.9	53.9	20.0	61.5	115.4
Auburn at Montgomery	4.7	5.8	23.4	4.0	9.8
Jacksonville State University	9.1	11.0	20.8	3.5	14.5
Livingston State University	2.6	3.2	23.0	1.8	5.0
University of Montevallo	4.7	5.3	12.7	3.9	9.3
University of North Alabama	5.7	7.0	22.8	5.8	12.9
University of South Alabama	18.5	22.2	20.0	40.1	62.4
Troy State University	6.2	7.9	27.4	9.8	17.7
Athens State College	1.1	1.5	36.3	1.1	2.6
TOTALS	$199.9	$242.6	21.3%	$333.4	$576.0

Following is a summary of funding for each school under the new school bond issue for capital improvements: (in millions)

Alabama at Tuscaloosa.....$8.4
Alabama at Birmingham.....$8.1
Alabama at Huntsville.....$3.5
Alabama A&M University.....$2.9
Alabama State University.....$2.9
Auburn University.....$8.6
Auburn at Montgomery.....$2.6
Jacksonville State University...$3.7
Livingston State University.....$2.4
University of Montevallo.....$2.9
University of North Alabama.....$3.6
University of South Alabama.....$4.0
Troy State University.....$3.7
Athens State College.....$1.0

SOUTH CAROLINA Warren T. McInnis, The State, Columbia

"The new higher education commission has "...the right to recommend the termination of institutional programs."

COLUMBIA, August 9--The big news in higher education legislation in South Carolina in 1978 was the passage, after two unsuccessful attempts in two previous years, of a bill revamping the State Commission on Higher Education and broadening its powers. A major change is that the act prohibits representatives or employees of public or private institutions of higher learning from serving on the commission.

In the past, a 17-member commission was composed of nine gubernatorial appointees and eight representatives of the state's public institutions of higher learning.

Although the bill was signed in early March by Governor James B. Edwards, appointments to the commission, which are shared by the governor and the legislature, were not officially approved until late July when the General Assembly wrapped up a six-month session.

In order to pass the higher education bill, sponsors had to agree that the new commission would have three members from each of the state's six congressional districts, with legislators in the congressional districts having the right to choose one member outright and having confirmation authority over the choice of the other two selections made by the governor.

The new law calls for the appointees to include representatives of minority groups, including blacks and women. The governor nominated four blacks, the legislative delegation's none. Governor Edwards' nominees include two women and the legislative delegation's one.

Master Plan to Be Drafted

The legislation also requires the commission to develop a master plan for higher education in South Carolina. Originally, the legislation called for the new commission to present the master plan one year from the enactment of the legislation, but an extension was approved when the appointments to the commission were delayed.

Under the extension, the new commission is to submit the plan to the legislature one year from the date on which a majority of the appointments were approved; that would make the submission date July, 1979.

The act also calls for a moratorium on program, staff or physical plant expansion until the plan is adopted by the General Assembly, unless there are pressing local needs. Any expansion project requested during the moratorium

would have to be approved by the commission, the Budget and Control Board, or either body of the General Assembly.

Commission Can Recommend Terminating Programs

The act gives the commission the right to recommend the termination of institutional programs. If an institution objects, it can appeal the recommendation to the education committees of the House and Senate.

On the financial side, $198,619,541 was appropriated for the state's institutions of higher learning, an increase of $16,949,597 or 9.3 percent.

In addition, the state's system of 16 technical colleges received $39,384,221, an increase of $5,249,073. The figure includes $1,523,638 for the training needs of new industries.

The state's Higher Education Tuition Grants program also received an increase and now is considered fully funded with a $10 million appropriation. The program provides tuition aid to qualified students enrolled at approved private institutions of higher learning.

The presidents of the state's public colleges and universities got healthy raises and faculty members received pay hikes too. The presidents of the University of South Carolina and Clemson University had their salaries raised to $56,000 from a previous salary of about $46,000.

With the pay hike, the two presidents will now get the same salary as the president of the Medical University of South Carolina in Charleston. The presidents of state-supported four-year colleges had their pay increased from $37,380 to $45,000.

Faculty Pay Raises Average Nine Percent

State college and university faculty members will get an average nine percent raise and will get another four percent raise January 1.

Salaries for the governor, the lieutenant governor, other constitutional officers and legislators were also raised.

While pay raises absorbed much of the state budget increase, the major controversy came over an item accounting for less than one percent of the budget.

The governor and legislature clashed head-on over the item calling for new personnel positions in the $1.3 billion state budget. The governor vetoed a $12 million appropriation earmarked for some 1,600 new positions, several hundred of them at colleges and universities. A number of legislators joined the governor in questioning these additions to the 60,000-member state work force, and particularly to higher education given the projections of stabilizing enrollments. But, in the end, the legislature overrode the governor's veto.

On the elementary and secondary level, the state's public schools received about $345 million in state monies. A $38 million increase will be used for the first year's implementation of the Education Finance Act of 1977, which was passed to equalize educational opportunities in the state.

Public School Competency Testing Approved

The legislature also approved a basic skills or minimum competency program for the state's public schools. The legislation was a watered down version of the proposal as originally drafted. The legislation provides for periodic testing to determine achievement and also provides for remedial assistance.

The legislature rejected imposing an "exit" examination requirement to receive a state high school diploma, but directed the State Board of Education to determine what kind of diploma should be given to a student who does not meet minimum standards.

The legislature also directed the State Department of Education to study the long-range impact of the continued use of the National Teacher Examinations as a means of certifying teachers and to suggest alternatives. South Carolina's use of the NTE for certification was upheld in court earlier in the year after being challenged that it discriminated against blacks.

A bill that would have given public employees collective bargaining rights died in committee.

Appropriations for the state-supported colleges and universities were:

	Appropriated 1978-79	
Citadel	$ 6,910,002	
South Carolina State	8,823,273	
Winthrop	7,991,544	
College of Charleston	8,790,861	
Francis Marion	4,463,324	
Lander	3,205,605	
University of South Carolina - Aiken	2,612,511	
University of South Carolina - Coastal	2,770,456	
University of South Carolina - Spartanburg	3,587,292	
Two-year Campuses (Excl. General Studies)	2,464,215	
University of South Carolina - Columbia (Excl. Medical School & Incl. General Studies)	56,486,497	
Clemson (Educational and General)	33,055,848	
All Except Medical University and University of South Carolina Medical School	$141,161,428	
Medical University	54,419,179	
University of South Carolina Medical School	3,038,934	
TOTAL	$198,619,541	
Increase over 1977-78	$ 16,949,597	(9.3%)

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